



Daily Report

Central Eurasia

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Russia: Yeltsin Advised Against Promising Early End to Chechen War

*MK2903101496 Moscow SEGODNYA in Russian
28 Mar 96 p 1*

[Report by Dmitriy Volkov under the "Plans" rubric: "Television Program for Sunday. Boris Yeltsin Will Do His Utmost for Chechnya, Even Though This May Not Be Much"]

[FBIS Translated Text] Boris Yeltsin is presented with an immensely difficult dilemma — he promised to make a televised address to Russian citizens on 31 March to reveal the plan for a peaceful settlement of the Chechen conflict. Such a plan cannot contain any miraculous recipes for resolving this problem, but the president has to go on the air all the same once he has promised to do so. It is clear what the president can offer. This is the conclusion of a power-sharing treaty with Chechnya, modeled on a number of similar treaties on the delimitation of power with autonomous republics that have been successfully operating over the past several years; this is possibly the confirmation of Doku Zavgayev's authority by holding elections for Chechnya's legislature; this is continuing efforts to sign peace treaties with the elders of Chechen villages for the purpose of multiplying the safe havens, which a Kremlin source called "islands of peace" (and — by implication — the continuation of attempts to find influential partners for negotiations capable of compromise); and, finally, the continuing use of force, and that not only in Chechnya, but also in neighboring North Caucasus republics, including Dagestan and Ingushetia. The trouble is that this is not what the audience wants to hear from the president; it will expect him to deliver a trite and meaningless promise — such as to stop the killings of servicemen of the Internal Affairs Ministry and Defense Ministry troops in Chechnya, and also, for the sake of quieting their conscience, to stop casualties among the civilian population of the republic — but at the same time to quash Dudayev's mutiny and to end the war victoriously. It is impossible to fulfill it all at one stroke. It seems that the president's objective in this situation should not be a public announcement of his Chechen campaign plan (insofar as this plan cannot be figured out it should be deemed to be secret and not subject to publication via television), but a convincing appeal to the nation, similar to that delivered by the initially bewildered Soviet leadership after Nazi Germany's invasion of the USSR — "our cause is just, and we shall win." At the same time, the most sensitive issue is the command's ability to achieve a victory with as little bloodletting as possible. No one has any illusions as to the strategic and tactical talents of Pavel Grachev, current Russian defense minister, but the replacement of this commander

will only do any good if its results can be predicted, at least to some extent. The absence of a realistic plan for pacifying Chechnya can probably also be seen as a positive factor, at least given the results achieved by diverse plans for taking Grozny with one single paratroops regiment or the Chechen people's rising in arms against Dzhokhar Dudayev, the illegitimate president of Chechnya. Perhaps the strongest argument against deliberate attempts at planning in Russian politics is the bloody and confused Chechen campaign itself, in which virtually all successes that have been achieved by the federal forces came despite the intentions of their generals and geopoliticians, not thanks to them. In fact, nearly the sole mistake made by the Kremlin is the identification of the government with the Chechen war. It is not Boris Yeltsin who invented the problems Russia has encountered in the North Caucasus. He, being a responsible head of state, may not ignore these problems, nor can he avoid attempts to resolve them. On the contrary, any of the incumbent president's rivals attempting to win votes by drawing attention to Russia's actual difficulties in the Caucasus make themselves appear in a fairly unfavorable light when they pass Russian problems off as those of the president. If the president's determination were enough to pacify Chechnya (incidentally, the guerrilla war did not stop in Chechnya in the 1930's or the 1940's) it would all have ended long ago. Hence, the critics are bending the truth. Unfortunately, the Chechen problem will remain with us for a long time to come, and linking it to the electoral interests of the key rivals in the race for the Kremlin office would be cynical, to say the least.

Russia: Lebed: Yeltsin's Promise To Stop Chechen War 'Unrealistic'

*LD2903124396 Moscow INTERFAX in English
1022 GMT 29 Mar 96*

[FBIS Transcribed Text] MOSCOW, March 29 (Interfax) — The promise of Russian President Boris Yeltsin to stop the war in Chechnya in April-May is unrealistic, Duma deputy Gen. Aleksandr Lebed told Interfax Friday.

In his opinion, the conflict in Chechnya "is turning into a guerrilla war. Guerrillas of Chechen rebel leader Dzhokhar Dudayev are already fighting against guerrillas of the federal troops."

"This creates the illusion of a lull, but the war will flare up again after the presidential elections," said the general.

He noted the higher obligations undertaken by Yeltsin on the eve of elections: payment of the salary debt by April 1 and the promise of peace in Chechnya. "The

Shaymiyev is defending his plan for a Chechen solution, the so-called Tatarstan variant. He thinks that Yeltsin's plan, which has been promised for the end of the week, is not guaranteed to succeed in advance. Other ways have to be worked out, too, for instance, an amnesty for Dudayev's men, the disarmament of fighters by their own hands [as heard], and the holding of new democratic elections.

Mikhaylov agrees with Shaymiyev in some things:

[begin recording] [Mikhaylov] I share this point of view.

[Kondratyev, offscreen] Of Shaymiyev?

[Mikhaylov] Yes, that a broad amnesty is a necessary element for settling the crisis. [end recording]

[Kondratyev] Emil Pain knows better than anyone else here about Yeltsin's plan, since he himself took part in drawing it up, but naturally, he is not getting into the thick of it and is avoiding specifics:

[begin Pain recording] My understanding of Yeltsin's point of view is that he most likely does not mean that the whole Chechen problem can be resolved in two or three months, or in six months. He thinks that we can begin to embark on the path of peace. [end recording]

[Kondratyev] Not a single plan, even the best one, will achieve any results unless a step is taken toward Dudayev's side:

[begin recording] [Vagap Tutakov] Yeltsin's address is absolutely of no concern to us.

[Kondratyev] Zavgayev, in your opinion, cannot take part in the elections or in the talks?

[Tutakov] Well, like the Russian side, he can sit somewhere in the 29th row and listen, but we don't have anything to talk about with Zavgayev. We cannot talk to every homeless person living at a railway station about state issues, about the fate of the people. [end recording]

[Kondratyev] Of course, it would be naive to expect ready recipes and answers to all questions at such a conference, but the very fact that such a dialogue is taking place inspires hope that sooner or later, a way out of the deadend, which the use of force represents, will be found. [video shows VIP's descending from airplane, conference, corridor interviews, delegates drinking wine, talking to each other]

Russia: Corrupt Practices Reported in Chechen Arms Surrender

*MK2803134196 Moscow MOSKOVSKIY
KOMSOMOLET in Russian 28 Mar 96 p 1*

[Report by Yuliya Kalinina: "Peace Is Inevitable. The Chechens Have Received an Offer They Cannot Refuse"]

[FBIS Translated Text] On Tuesday villages in Achkhoy-Martan Rayon were preparing for the signing of a peace agreement. Villagers gathered in their central squares and listened to speeches by deputies from the Zavgayev government and the Russian military.

"A peace process is under way here," a policeman told me meaningfully. And then he turned to the roar behind his back. Five kilometers from there, rockets were pounding old Achkhoy; explosions flared up magnificently with mushrooms of black smoke rising to the sky.

Nearly all the villages in the mountain areas of Chechnya have already signed or agreed to sign a cease-fire. Fewer than ten resist the agreement. The agreement itself contains the following demands for the residents: surrender a certain number of weapons, recognize the Zavgayev government, and allow interior troops into the village to check passports and search houses.

Usually, several days before the formal act of signing the outskirts of a particular village are methodically subjected to artillery and aviation strikes, which reduces its residents to a state of acquiescence and submission to fate. They are ready to sign just about anything to stop the nightmare. Villages bordering the "protected" populated areas need no further persuasion. Samashki is the most graphic example. Incidentally, to date, nobody is allowed into the village. Refugees who broke out of Samashki three days ago explain with tears in their eyes that they must bury their relatives. Refugees say not less than 500 people were killed in Samashki last week.

It should be noted for the sake of objectivity that after the signing of the peace agreements the Chechens' attitude toward the federal troops or Zavgayev does not get any warmer. They admit that they sign the agreement because they have to, not because it is fully responsive to their positions.

Villagers are having the biggest problem with the surrender of weapons. Normally, federal commanders present a village with an itemized list — for example: 27 automatic rifles, two machine guns, seven grenade launchers, and 10 mines. The strange part is that nobody knows where these figures come from, why the federals

Chechnya, large-scale troop operations will obviously cease. However, any new bandit sallies, terrorist acts, or armed brigandage will meet with an unequivocal response. It will primarily be the MVD [Ministry of Internal Affairs] forces and the local police, who are now being trained precisely for such actions, that look after this.

Now a few words about the situation in Grozny. As is well known, Dudayev promised to launch another attack on "this nest of Zavgayev's." However, his threat is probably mere propaganda. A special police operation is now in its third day in Grozny. Additional forces (around 2,000 men) have been moved into the city to establish new checkpoints, especially in the western part of the city. It was from that direction that the gunmen freely infiltrated Grozny in early March. Furthermore, the plan for the operation envisages destroying nonresidential buildings, which is where the gunmen usually set up their sniper positions. It is also planned to carry out a specific check of places where, according to operational information, the gunmen who infiltrated in early March are continuing to hide. So there will scarcely be another assault. Dudayev simply does not have the forces for this. Although the threat of terrorist acts, hostage-takings, and other "high-profile" provocative actions cannot be totally ruled out, of course.

Simultaneously with the operations now being carried out in south and southwest Chechnya, the federal forces are preparing to pull out. Russian Defense Minister Army General Pavel Grachev set the grouping's command this task when he visited Chechnya recently. The withdrawal will be carried out in several stages and will naturally depend on the development of events once the plan for a peaceful settlement in Chechnya has been made public. The first stage in the troop pullout envisages temporarily quartering units and subunits on the territory of Ingushetia and Dagestan. Overall command of these forces will be exercised by the command post from Mozdok. But the withdrawal plan does not presuppose the total departure of federal forces from Chechnya. The 205th Motorized Infantry Brigade (Khakala, Shali, and Severnoye) and internal troops subunits (Grozny, Urus-Martan, Gudermes) will remain permanently there.

Russia: Federal Commander Apologizes for 'Unauthorized Bomb Drop'

LD2903124296 Moscow INTERFAX in English
1022 GMT 29 Mar 96

[FBIS Transcribed Text] GROZNY, March 29 (Interfax) — Chechnya's pro-Moscow government demands punishment for those responsible for a federal bombing raid which claimed nine civilian lives in the village of

Katyr-Yurt, press secretary of the head of the Chechen republic Ruslan Martagov said.

Four federal attack planes appeared in the sky over Katyr-Yurt at 8:10 p.m. on March 28. One of them dropped a bomb, killing a family of nine.

Both villagers and the Grozny government see the incident as a provocative move meant to torpedo the Chechen peace process, Martagov said.

The Chechens are beginning to doubt what is known as safety guarantees, Martagov also said. Katyr-Yurt signed a peace and accord agreement with the federal army command and Grozny government on March 24 only to come under a bombing raid on March 28.

Commander of the federal army contingent in Chechnya Vyacheslav Tikhomirov explained the incident as "an unauthorized bomb drop." Tikhomirov apologized for the incident and sent condolences to the relatives and friends of the victims.

Russia: Tikhomirov on New Chechen Rebel Strategy, Federal Response

LD2803220196 Moscow NTV in Russian
1900 GMT 28 Mar 96

[Correspondent Arkadiy Mamontov video report from Chechnya; from the "Segodnya" newscast]

[FBIS Translated Excerpt] The operation to force Dudayev fighters from the valleys into the mountains is reaching its culmination. Federal troops have already brought everything into play: ground-attack aircraft, helicopters, heavy artillery, Grad installations. Some settlements are being blockaded while complex talks about peaceful disarmament are being held with others. Here is a report by our special correspondents from Chechnya:

[begin Vyacheslav Tikhomirov, commander of the Federal Group of Troops in Chechnya, recording] Small groups of enemy troops, a bandit formation, have migrated. They were allowed to attack columns at places where troops were stationed. We have now taken an active position. Since February, the troops have been moving practically all the time. They are carrying out probing reconnaissance. They are finding them, and quite simply, an active battle is being waged to annihilate them. [end recording]

[Mamontov] Vyacheslav Tikhomirov said this in an exclusive interview with NTV today. He said that over two-thirds of settlements in Chechnya have signed peace agreements with the federal forces' command.

**CIS: Moscow Draws Up Plan for Economic
'Alliance of Four'**

*MK2903125196 Moscow SEGODNYA in Russian
28 Mar 96 p 2*

[Analysis by Elmar Murtazayev: "Russia Prepares Base for 'Alliance of Four'"]

[FBIS Translated Text] An agreement has been drawn up in the Russian government on deeper economic, scientific and cultural integration between Russia, Belarus, Kazakhstan, and Kyrgyzstan. The document is expected to be signed by the heads of these states at the end of March or early in April.

The document calls for creating a single customs territory, unified procedures of investment activities, buying real estate, single methods for forming prices of products of natural monopolies, mutual convertibility of national currencies, and an agreement on authorized banks. It also states an intention "to proceed toward a single currency." Furthermore, supranational bodies are to be formed to which members of the union will delegate powers to make "economic and legal decisions." This agreement is being drawn up in a total news blackout by, according to some information, Russian presidential structures with Minsotrudnichestvo [Ministry on Economic Cooperation With Member-States of the Commonwealth] assistance.

The signing of the agreement will legally formalize the existing economic divide between the countries of the Commonwealth. [as published] Talks late last November with Uzbekistan, which earlier announced plans to join the Customs Union, became deadlocked, meaning that this Central Asian country will hardly be joining the single customs zone. On the other hand, Kyrgyzstan, which is not a Customs Union member yet, is obliged to join it before signing the documents on greater integration. Askar Akayev, who is in Moscow now, will probably sign the Customs Union agreement today so as to enable a joint statement on "a new stage of integration."

However, members of the "alliance of four" are in the future going to face several considerable problems at once. First, unresolved as yet is the question of the relationship between representatives of the countries participating in the agreement and the size of their financial contributions toward the [planned] supranational bodies. Second, some points in the agreement necessitate amendments to the constitutions of the parties to the agreement (one such point is a single customs territory). Third, according to some drafters of the agreement, Belarus' attempts to hasten integration processes under bilateral understandings [between Russia and Be-

larus] "highly destabilize the situation." According to the drafters, this "makes Russia choose a preferred partner to the detriment of the rest of the parties to the agreement."

At the same time, many problems of the Russia-Belarus integration remain unresolved. For example, the terms of Belarus's temporary agreement with the European Union harm Russia's interests because the European Union's antidumping procedures can discriminate against Belarus and hence Russian goods on European markets. Furthermore, despite the Customs Union's demands, Belarus has not provided information about abolishing the preferential duties for athletes and disabled persons on the importation of goods from third countries. As a result, Russian importers take advantage of the duty-free bilateral trade [between Belarus and Russia] and simply redirect alcoholic products from Belarus onto the Russian market, without paying Russian import duties. Incidentally, according to the State Customs Committee, imports of alcohol from the "near abroad" almost tripled in January.

**CIS: Yeltsin Stresses Importance of Accords on
'Deep Integration'**

*LD2903125696 Moscow ITAR-TASS in English
1247 GMT 29 Mar 96*

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, March 29 (Itar-Tass) — The presidents of four former Soviet republics on Friday signed a package of agreements on "deep integration" in the Kremlin on Friday.

Boris Yeltsin of Russia, Alyaksandr Lukashenka of Belarusia, Nursultan Nazarbayev of Kazakhstan and Askar Akayev of Kyrgyzstan took part in the ceremony thus raising the level of relations among CIS members to a new level.

Yeltsin told reporters on Thursday [28 March] that the accords would become "a very and very important step from the point of view of cooperation development." [sentence as received]

**CIS: Samsonov: No Plans for Quadrapartite
Military Bloc**

*LD2803150496 Moscow INTERFAX in English
1400 GMT 28 Mar 96*

[FBIS Transcribed Text] MOSCOW, Mar 28 (Interfax) — Russia, Belarus, Kazakhstan and Kyrgyzstan do not plan to create a separate military-political bloc, Army General Viktor Samsonov, chief of the headquarters coordinating military cooperation of CIS member-countries, told journalists in Moscow Thursday.

the concrete lines of their operation. Even so, the general was apparently being overcautious: Although it is indeed difficult to tell how effective their performance will be, the military hopes that their creation will help invigorate military cooperation in the CIS, ranking it in importance next to the restoration of the single air defense system.

CIS: ITAR-TASS Carries Press Review for 29 Mar
LD2903063496 Moscow ITAR-TASS in English
0626 GMT 29 Mar 96

[Press Review] — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, March 29 (Itar-Tass) — "Rossiyskiye Vesti" comments on a session of the Russian government on Thursday [28 March] devoted to the progress of restructuring in industry. The Russian Economics Ministry — the headquarters which is to outline the strategy in this direction, has not fulfilled its task yet, the newspaper said. Russian Economics Minister Yevgeniy Yasin was not even present at the session and made his first deputy Economics Minister take the burden of reporting on the situation on his shoulders. Therefore, a report made by "the general economics headquarters" on this problem was not concrete. No concrete proposals or any thoroughly calculated projects were suggested. No concrete enterprises were mentioned which might become "locomotives" in the economic growth. The process of budgetary support to projects selected by the Economics Ministry on a competitive basis last year has been disrupted and people responsible for the implementation of these projects were put in a difficult position, the newspaper said.

"Rossiyskiye Vesti" carries an interview with member of the presidential council Leonid Smirnyagin who analyzed the results of the December elections to the State Duma. It was pointed out that poor contacts with the people was the most vulnerable point in the position of the regional elite in the past election campaign.

Although prior to the elections regional heads had declared that they were "unquestionably keeping the political situation under control," in reality, these elite groups turned out to be regrettably inefficient, Smirnyagin said.

Itar-Tass observer Tamara Zamyatina says in a commentary published by "Izvestiya" that if the federal authorities do now show the necessary political will, the opposition will not miss its chance to play the role of a peace-keeper. This conclusion was prompted by Dzhokhar Dudayev's interview published by the British newspaper "Independent" in which Dudayev declared that he was prepared for "talks with the Communist party." A proposal made by Duma lawmaker Sergey Shakhrai to create a separate state body which would tackle the task of resolving the Chechen conflict appears to be one of the most effective measures in the Chechen settlement, Zamyatina said. She believes that Dudayev is prepared for collaboration with communists.

"Izvestiya" comments on a letter sent by chairmen of Russia's branch trade unions to President Yeltsin which says that non-state pension funds face difficulties connected with a delay in the enactment of a law on non-state pension funds and volatile activities of the taxation service. In August, 1995, a support to non-government pension funds was declared in a government resolution on the reform of pensions allowances, but nothing promised in the resolution has been fulfilled, the newspaper said.

In recent months, the taxation service issued a number of instructions, rendering senseless contributions made by enterprises to non-state pension funds, since these contributions are subject to taxation, apart from a 28 per cent fee charged in favour of the state pension fund.

"Rossiyskiye Vesti" says that preparations are under way for the launching of two Russian communications satellites built on the order of the Russian "Gasprom" joint stock society.

Yerastov; date and place not given: "NATO Expansion: Russia Left Out of the Equation")

[FBIS Translated Text] Of late Moscow has been visited by NATO Secretary General J. Solana and U.S. Secretary of State W. Christopher. One of the main topics of their discussions with Russian politicians was, as might have been expected, the question of NATO eastward expansion. This problem was also the center of attention during the Russian president's talks with leaders of Norway, which Boris Yeltsin visited early this week. As far as one can judge, both sides — the West and Russia — reaffirmed their principled positions. One side is indicating that the "issue of expansion" has been decided, while the other objects to the North Atlantic alliance military structure extending as far as Russia's borders.

We asked Mikhail Gerashev, deputy director of the United States and Canada Institute, to comment on the current situation.

[Gerashev] It is a unique situation. The broadest consensus exists in our country on the issue of NATO eastward expansion: Virtually all political forces in the country currently oppose this expansion, although many people admittedly have different reasons for doing so. In my view, it is not a question of a direct military threat, although some imbalance in forces between Russia and NATO can be discerned. But we do not have to build another defensive stronghold in the way of the West in preparation for a mass invasion: That is the least likely scenario. The problem is that a decision to expand will divide Europe and the world again — if not into two camps then at any rate into two categories — "clean" and "unclean," that is, those who are admitted to the "civilized group" and those to whom the way is barred. Despite all the talk of a special attitude toward Russia, the latter is being allotted a place on the sidelines of this system; it is, as it were, being left out of the world political equation in the structural respect.

[Yerastov] Do you think that what we have is deadlock or are there various options?

[Gerashev] In my view, there is deadlock. Russia today has very limited opportunities to influence NATO's decision. The expansion process — whether it goes ahead or not — is developing in accordance with its own dynamics. Our negative attitude only creates a certain backdrop which complicates the process. Is there a way to break the deadlock? Probably not in the immediate future. It is hard to expect us to perform a complete about-face, although this kind of thing has happened, as you are aware.

[Yerastov:] The Western mass media are talking about President Yeltsin's new approach. Judging by the Western press, he hinted in Norway that Russia might not object to new countries' political integration within NATO, but would do so when it came to military integration. Might a compromise not be found here?

[Gerashev] I do not think that this kind of attempt to arrange a compromise solves the main problem. If we view expansion as a military threat, then of course this could be a compromise. But if we regard the process as posing the threat of Russia's political isolation, this does not, I repeat, offer a solution. I think that solutions should be sought elsewhere.

[Yerastov] Where? Incidentally, do you not think that this problem can only be resolved by seeking a fundamentally new system of security rather than dividing countries into bloc members and nonmembers....

[Gerashev] I have put the following question to myself and my colleagues: Why does Europe need a special security system?

If we assume that Europe does need a special security system — be it NATO or the OSCE [Organization for Security and Cooperation in Europe] — we have to bear in mind that there is less danger of military conflict on the European continent than in other regions of the world, the Near and Far East, for instance. The need for security systems there is self-evident. And, of course, there must be a system to unite these regional systems within the framework of the concept of world order in which all countries are interested. There is such an organization, whose charter enshrines all these functions. Namely the United Nations. It fully accords with Russia's interests, incidentally: We are one of the countries that adopts decisions and has the right of veto. Of course, the United Nations needs to be improved, including in terms of military structure. But it is in this area, shifting the center of gravity from regional to international level, that ways of resolving the problem can be sought.

Russia: NATO's Solana: Isolating Russia Would Be 'Historical Error'

LD2803202796 Moscow ITAR-TASS in English
2012 GMT 28 Mar 96

[By Anatoliy Medvedenko]

[FBIS Transcribed Text] MADRID, March 28 (Itar-Tass) — It would be a historical error to isolate Russia from the decision-making on Europe's major challenges, NATO Secretary-General Javier Solana said today.

allowed by the 1972 treaty. In case the CIA is mistaken and a terrorist regime develops a ballistic capability posing a threat to U.S. territory, this system would be deployed there within three years. It should be noted that Russia finished the development and creation of the new antiballistic defense system of Moscow in 1994. But it chose not to put the system on alert status for the time being given the absence of an outside threat; the antiballistic missiles and nuclear warheads are being stockpiled until times change for the worse.

Last week Ashton Carter, U.S. deputy defense secretary, attempted to convince Russian officials that the latest actions of the Clinton Administration address the Duma's main objections to the ratification of START II. At the same time, Carter said that although the U.S. Senate ratified the treaty last January, the United States will not start implementing it until the Duma has ratified it and will stick to the current level of strategic weapons. However, officials in Moscow seem to be too baffled by the extremely contradictory signals coming from the Democrats and the Republicans in Washington for START II to be ratified any time soon. A commander of the Russian Strategic Missile Forces said recently: "They may have Clinton today, but tomorrow he might well fail to get reelected. We should be ready for any twist of events, including the United States' withdrawal from the ABM treaty and the start of a new, unlimited nuclear arms race." Evidently, any crucial decisions on further nuclear disarmament will be put off until the end of the election campaigns in both countries.

Russia: Talks With EU Begin on New Trade Procedure for Nuclear Fuel

LD2803124896 Moscow ITAR-TASS in English
1210 GMT 28 Mar 96

[By Irina Bolshova]

[FBIS Transcribed Text] MOSCOW, March 28 (Itar-Tass) — Russia began talks with representatives of the European Commission here on Thursday on trade in nuclear fuel cycle commodities. In accordance with the Interim Agreement on trade between Russia and the European Union, the issue should be settled before January 1, 1997, Maksim Medvedkov, Deputy Head of the Department for Multilateral Cooperation of the Russian Ministry for Foreign Economic Relations, has told Itar-Tass.

Medvedkov believes that trade in nuclear fuel cycle commodities, just as trade in any other commodity, should be maintained within the framework of a general trade procedure, without restrictions. Besides, trade in nuclear materials should accord with the goals of establishing a free energy space, which have been

recorded in the Treaty to the European Charter of Energy, signed by Russia and the EU. The Charter regulates terms for trade and investments in the energy sector.

The previously existing restrictive measures with regard the deliveries of Russian nuclear materials to the European market, which is the main buyer of the commodity among Western countries, considerably hindered the development of cooperation in this respect.

European colleagues are expected to present their proposals to the Russian side about a new procedure for trade in nuclear materials. The talks, which are taking place in the Russian Ministry of Nuclear Energy and Industry, are to continue until the end of this week.

Russia: Gas Giant Chief's U.S. Visit Viewed

MM2803162396 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 27 Mar 96 pp 1, 2

[Report by Sergey Ivanov: "Rem Vyakhirev Discovers America"]

[FBIS Translated Text] New York — The Gazprom chief's 10-day U.S. visit is drawing to a close. The enormous scale of this trip is unprecedented in the history of Russian-U.S. business. The Russian flag flutters on the facade of New York's most prestigious hotel, the Waldorf Astoria. As a rule presidents, premiers, and foreign ministers stay in these apartments, as indicated by the flags on the poles. The white, red, and blue flag has been flying above the Astoria today in honor of number-one Russian businessman Rem Vyakhirev, chairman of the board of the Gazprom Russian Joint-Stock Company.

The delegation arrived in the United States on its own aircraft. With the fashionable hotel, gala dinners, and high-ranking figures to meet, this is a very high-level visit in content and not just in form. It is difficult to fool Americans with window dressing, and it is important to demonstrate the scale of and opportunities afforded by cooperation. Vyakhirev and his team have succeeded in this difficult task.

Incidentally, on the subject of dinners. Businessmen from other states — California and Florida — flew to Dallas to obtain an audience with Rem Vyakhirev and sit at the same table as him. There was a veritable battle for the right to make the Gazprom chairman's acquaintance in order to prepare a base for cooperation. The Americans discovered that Vyakhirev forgets nothing, even from fleeting meetings and conversations, and therefore tried to pay their respects to the leader of Russia's largest company if only for a few minutes. The reason for this is the enormous interest in long-term cooperation. Texas State Governor George Bush Junior

its position as front-runner in a bitterly competitive struggle.

So the visit to the United States by Rem Vyakhirev, chairman of the Gazprom Russian Joint-Stock Company, is practically over.

It is very likely that not only did Rem Vyakhirev discover America but the United States discovered a completely new Russia, with which it is possible and necessary to have mutually advantageous relations.

Russia: Davydov Says Libya 'Condemns All Forms' of Terrorism

LD2803212796 Moscow INTERFAX in English
1944 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, March 28 (Interfax) — Libya condemns all forms and manifestations of terrorism, Libyan officials told Deputy Russian Prime Minister and Foreign Economic Relations Minister Oleg Davydov during his visit to Tripoli, according to a Russian Foreign Ministry report sent to Interfax Thursday.

The statement is especially important taking into account the latest developments in the Middle East, reads the report.

According to the report, during Davydov's visit the sides paid special attention to breaking the impasse around Libya.

The Russian side intends to use available political and diplomatic levers so that the international community gives an adequate assessment of Tripoli's positive steps to carry out U.N. Security Council resolutions, reads the report.

The sides also discussed ways to restore trade and economic partnership. In this connection the Foreign Ministry recalled that, "despite the limitations imposed by the sanctions regime, Libya maintains a rather high level of foreign economic ties, primarily with western European and some Asian countries."

"Russia's interests were most hurt by the sanctions against Libya," reads the report.

According to the document, Moscow "firmly intends to restore mutually profitable partnership with Libya and expand it to new areas." During the talks the sides defined priority areas of cooperation.

In particular, it was agreed that Russian companies will participate in projects to increase the capacity of thermal power plants, build and repair high-voltage power lines, build railroads, expand housing construction and in joint development of oil fields and maintenance of gas pipelines.

Russia: Agreement With Pakistan on Narcotics Trade

964F1605A Moscow ROSSIYSKAYA GAZETA
(EKONOMICHESKY SO'UZ SUPPLEMENT)
in Russian 16 Mar 96 p 14

["Agreement Between the Government of the Russian Federation and the Government of the Islamic Republic of Pakistan on Cooperation in the Fight Against the Trafficking in Narcotics and Mind-Altering Substances and Abuse of Them"]

[FBIS Translated Text] The Government of the Russian Federation and the Government of the Islamic Republic of Pakistan, hereinafter called the Parties,

desiring to develop cooperation in the fight against the trafficking in narcotics and mind-altering substances (hereinafter called narcotics) and abuse of them,

recognizing the importance of international cooperation in the fight against the trafficking in narcotics and abuse of them and expressing their support for the activity of the United Nations in this field,

considering the importance of the provisions of the 1961 United Narcotics Convention, the 1971 Convention on Mind-Altering Substances, and the 1988 UN Convention on the Fight Against the Trafficking in Narcotics and Mind-Altering Substances, and

recognizing the mutual benefit of such cooperation for both Parties,

have agreed as hereunder:

Article 1

The Parties shall cooperate and render each other assistance:

in the prevention, ascertainment, suppression, and solution of crimes involving the trafficking in narcotics and substances frequently used in their illicit production and listed in Table I and Table II of the 1988 UN Convention on the Fight Against the Trafficking in Narcotics and Mind-Altering Substances and

in the fight against the abuse of narcotics and also in the treatment and rehabilitation of persons suffering from drug addiction.

Article 2

Cooperation between the Parties shall be exercised in accordance with the legislation of both states, the 1961 United Narcotics Convention, the 1971 Convention on Mind-Altering Substances, and the 1988 UN Convention on the Fight Against the Trafficking in Narcotics and Mind-Altering Substances.

Wallenberg was arrested by Soviet military authorities in Budapest in 1945 and died in the Lubyanka prison in 1947. In 1989, the foreign ministry and the KGB admitted that this was a "tragic mistake which has never been corrected."

"Our approach to European developments is rather well-balanced. We highly appreciate Sweden's consistent non-involvement in any blocs and its recommendations as of a neutral state," Primakov said.

He thanked Sweden for an intent to use its influence on Estonia in order to find a "just" solution to the problem of ethnic Russians in the ex-Soviet Baltic state.

"We are not satisfied with ethnic Russians' status in certain Baltic states, especially in Estonia," Primakov said. He added that, when meeting the Swedish minister, he had cited facts "indicating that a policy of discrimination (against Russians) continues."

"We believe that such policy should be terminated," he said.

The Russian official was rather skeptical about recent positive shifts in this field. He said that, in fact, they were "rather insignificant" and that "in certain cases, Estonia's policy has become even more rigid."

Hjelm-Wallen reaffirmed Sweden's intent to make Estonian authorities treat ethnic Russians "with respect" and observe relevant covenants of which it was party. In her words, Sweden was providing aid to local immigration agencies. It has earmarked funds for Estonian as Second Language training programmes and publishing books in Russian in the country.

"There are certain positive shifts in the status of ethnic Russians but the situation still requires improvement," the Swedish minister said adding that Sweden might involve in the dialogue as partner.

She expressed hope that Prime Minister Viktor Chernomyrdin's visit to Sweden and participation in a Baltic states' summit will promote further development of bilateral relations. The premier is scheduled to visit Sweden in May 1996.

The Swedish minister invited Primakov to come to Sweden for an official visit. It is highly likely that his visit will be timed to a July meeting of Baltic foreign ministers.

Russia: Yeltsin: Relations With Kyrgyzstan 'on the Rise'

LD2803123296 Moscow ITAR-TASS in English
1157 GMT 28 Mar 96

[By Andrey Shtrokh]

[FBIS Transcribed Text] MOSCOW, March 28 (Itar-Tass) — Cooperation between Russia and Kyrgyzstan is on the rise. Russian President Boris Yeltsin said in opening talks with his Kyrgyz counterpart Askar Akayev in the Grand Kremlin Palace.

Before retiring for a one-to-one conversation concerning bilateral relations and international issues, including within the framework of the Commonwealth of Independent States, the Russian President noted that "considerable shifts have taken place lately in strengthening interaction between the two countries and there is hope that ties between the Kyrgyz and Russian peoples will become even more solid."

Russia: Kyrgyz President: Closer Integration Not Return of USSR

LD2803183596 Moscow ITAR-TASS in English
1826 GMT 28 Mar 96

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, March 28 (Itar-Tass) — The pact on a closer integration to be signed on Friday by Russia, Belarus, Kazakhstan and Kyrgyzstan is no comeback of the Soviet Union, Kyrgyz President Askar Akayev told reporters today. Emerging from his meeting with Russian Federation Council chairman Yegor Stroyev, Akayev said "this is not restoration of the Soviet Union but the coming of its former republics closer on a new basis".

The integration process is a "dictum of time, the sole possible short-term prospect of getting out of the economic crisis, ensuring a better life for peoples of these countries", Akayev said.

The setting up of regional alliances of CIS members "will not interfere with the integration processes within the framework of the entire Commonwealth," Akayev continued.

He said the four countries, which had been first to make the customs union, would give a boost to the integration, adding that "other states will join them after some time".

Stroyev also said he was sure "the integration will take place, we should quietly, in a weighed manner pass this span of relationships".

He stressed that Kyrgyzstan, where Russian-speakers make a sizeable population, is adopting Russian as the

Political Issues

Russia: Yeltsin Touts Election Program at Education Congress

MM2903093196 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 29 Mar 96 p 2

[Report by Viktoriya Molodtsova: "President's Message to Higher Education"]

[FBIS Translated Text] Russian President B.N. Yeltsin has taken part in the Fourth Congress of the Russian Union of Rectors, which opened at Moscow State University yesterday.

It is five years since the president last met with the leaders of higher education institutions [VUZ] in Tula. Those were very difficult times, but B. Yeltsin noted that higher education workers displayed a truly civic stance and courage, passionately standing up for change and proposing qualitatively different approaches to the development of our state and society.

"One of the key points in my electoral program," the president said, "is investment in people, in their knowledge, culture, morality, and health. The state can and must provide the conditions under which the best human abilities and qualities can blossom. That is the essence of our reform, that is its human dimension."

The president summed up some of the results of higher educational activity, paying particular attention to those measures which the state is taking to support VUZ's. In line with the edicts recently adopted by him, Russia's VUZ's have been allocated 5,000 monthly state grants for outstanding students and 1,000 for talented young academics. It is planned to allocate 100 billion rubles [R] to support leading science schools. As of 1 September 1996 another 100 Russian Federation presidential grants will be set up to support research carried out by young doctors of science — in the amount of R60 million a year each. The government has been instructed to submit proposals on setting pensions for VUZ professorial, teaching, and scientific staff in the amount of at least 80 percent of their average pay. This will make it possible to increase pensions to VUZ lecturers and scientific staff on average from R250,000 to R600,000 per month. A final indexation is also planned depending on changes in prices and the inflation rate. In a recent edict the president instructed the Russian Federation Government in conjunction with the Russian Union of Rectors to draw up and adopt a statute on the status of state VUZ rectors. The edict stresses that the statute should make provision for measures to provide moral and material incentives for rectors' activity and to secure for them appropriate levels of pay and medical and pension provision. A

directive on additional material provision for higher education personnel who have made an outstanding contribution to the development of higher education, science, and technology has already been signed. It lays down an extra lifelong monthly provision of 10 times the minimum wage. The prestige of higher education staff will also be enhanced by the introduction of the title of "Meritorious Higher Education Worker of the Russian Federation." An edict which the president signed on the eve of the congress transfers federally owned buildings and installations to the day-to-day control of VUZ's on leases of more than 10 years. Along with land that was previously transferred to VUZ's, this is a pretty good foundation for improving the economic stability of higher education.

At literally every turn of the transformations, the president noted, a new type of specialist and new scientific and technological achievements will be needed. The role of VUZ's in the new democratic Russia cannot be overstated. Consequently, at the next stage of reform, the president assured his audience, we intend to place considerable emphasis on higher education.

The fate of reform, the president said in his address to the rectors, is in your hands in the sphere of higher education. You know better than anyone what needs to be done and how to do it, and the increasingly strong Russian state will soon not only pay back higher education what it is owed, but also provide it with the funds it needs to resolve new creative tasks.

The congress of rectors continues today.

Russia: Yeltsin Speaks on Preliminary Results of Reforms, Education

LD2803130796 Moscow Radio Rossii Network
in Russian 0900 GMT 28 Mar 96

[FBIS Translated Text] The 4th All-Russian Congress of the Union of Rectors began its work in Moscow today. Russian President Boris Yeltsin made a speech to its plenary sitting. Addressing the representatives of Russia's more than 800 higher educational establishments, the president dwelt on the preliminary results of the reforms.

[begin Yeltsin recording] The foundations have been laid for Russia's new statehood and a market economy, and democratic principles are gradually being established in the life of Russian society. There are also of course many difficulties. They are being exacerbated by the fact that people have managed to take advantage of crisis phenomena and make a great deal of money out of them. Acute forms of social inequality have become widespread as a result. Corruption and crime have

be allocated for this purpose," the president stressed. He pointed out that a draft federal law would be drawn up to exempt citizens of taxes on houses they build until they repay all the credits they got. Moreover, Yeltsin specially stressed that an efficient mechanism should be created for crediting such builders for periods ranging from 10 to 25 years. "We have finally overcome this problem, on which we have toiled for decades," he stated.

At the same time, the president noted that the development of private housing construction should not be detrimental to the construction of traditional multi-flat buildings. On the contrary, the building of large apartment houses should be stepped up.

Russia: Yeltsin Explains Rejection of Law on Municipal Service

MM2903105896 Moscow ROSSIYSKIYE VESTI
in Russian 28 Mar 96 p 1

[Unattributed report from the "President" column: "Federal Law Turned Down"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin has sent a message to State Duma Speaker Gennadiy Seleznev in which he reports that he has rejected the federal law "On the Basic Principles of Municipal Service in the Russian Federation" under Section Three of Article 107 of the constitution. "A number of provisions of the aforementioned federal law are in conflict with the Russian Federation Constitution and the federal law 'On the General Principles of Organizing Local Self-Government in the Russian Federation.'"

For your information: The message notes that the federal law regulates questions concerning municipal service in detail: It sets out the classification of employees, their rights and duties, the restrictions connected with service, and so forth. Moreover, the financing of the service out of the local budget is specified by Article 10 of the law. Boris Yeltsin considers that such detailing violates the rights of the Russian Federation components and is in conflict with the constitution and existing legislation.

Russia: Chernomyrdin Urges Proposals for Industrial Restructuring

LD2803164096 Moscow INTERFAX in English
1310 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, March 28 (Interfax) — Russian Prime Minister has levelled acute criticism at the Economics Ministry because it failed to come up with concrete proposals on industrial restructuring.

After First Deputy Economics Minister Ivan Materov delivered a report on the current situation at the government meeting on Thursday, Chernomyrdin said Materov had only stated the situation and failed to offer concrete methods to improve it.

Having complained that Economics Minister Yevgeniy Yasin (who was on a business trip) was absent from the meeting, the prime minister said that the restructuring is not "a routine issue." It is the Economics Ministry which should "raise the alarm" on this matter. The ministry, however, failed to submit a program in this sphere for 1996-97, he said.

First Deputy Prime Minister Oleg Soskovets made a similar reprimand by saying that "in speaking about management restructuring, the Economics Ministry should come first."

On hearing Materov's view that the rise in property tax following the revaluation of capital assets suppresses production in some industries, Chernomyrdin demanded concrete proposals to solve this problem. Then he proposed that the tax be lowered. The government decided that relevant changes in the draft of the second part of the Taxation Code be introduced in the protocol.

Chernomyrdin also said that the freezing of prices for products and services of natural monopolies in the fourth quarter of last year produced only negative results. For example, the price freeze caused the loss of some budget revenues. He noted in this context that the entire burden of restructuring should not be put on these industries alone, said the prime minister.

"We must back the production of competitive products, not production in general," he said.

Russia: Yeltsin's Use of Chechnya as Election 'Trump Card' Condemned

MM2803162496 Moscow SOVETSKAYA ROSSIYA
in Russian 28 Mar 96 p 1

[Article by Zhanna Kasyanenko: "What Can the Instigator of the Chechen War Tell Us About Peace?"]

[FBIS Translated Text] Every evening, listening to the news from Chechnya, I thank fate that I have a daughter, and at the same time I shudder with horror to imagine what the mothers of sons are feeling at these moments. The announcers on all the channels report in cold, remote voices that seven servicemen of the federal forces were killed today, two yesterday, or it may be 27, or 40.... Knowing the deceitfulness of television, we promptly add zeroes to these figures and it turns out that we are right: 150 soldiers were killed in just two days in Groznyy, 7-8 March. What a Mother's Day 8

The decision to boycott left-wing political leaders has been made by firms in the Political Consulting Association. This organization is well known in the world of "political image makers" and is highly respected in those circles. Its decision to walk away from profitable but left-wing business is due to the fact that, were G. Zyuganov to finally win, their businesses would simply disappear along with many other types of Russian enterprise.

In the same conversation experts conjectured that this example has been picked up by other image makers, since, "judging by everything, nobody is working professionally on Zyuganov's image."

"See for yourself — he's a gray man with a gray entourage and gray speeches. There's nothing to latch onto. Take away the word 'Communist' and he wouldn't even get 5 percent of the vote." [passage omitted]

Governors Opposed to Flight of Capital From Country

Incidentally, there are already some very major forces in Russia and in Moscow which have no interest in seeing the Communists regain power or in election hysteria involving the flight of capital. First and foremost, these are the presidents of the autonomous republics and governors, who make up the overwhelming majority of the upper house of parliament — the Federation Council. These people are very much afraid of the personnel "upheaval" which could follow a Zyuganov victory. So it is no accident that it was the Federation Council which first raised the question of extending Yeltsin's powers.

Competent sources in the Kremlin do not deny their involvement in this unexpected move by the senators. Thus, in particular, one presidential adviser told your KOMSOMOLSKAYA PRAVDA correspondent that "the Communist Party of the Russian Federation with its mob of dissatisfied, ambitious, and power-hungry revanchists will be prevented from taking power primarily by regional leaders." Judging by his behavior at the Federation Council session, Mayor Yuriy Luzhkov of Moscow shares that view. His speech wholly chimed with the demands made by other governors to "brand" the State Duma decree denouncing the Belovezhskaya accords. Admittedly, our mayor did not align himself with Governor Konstantin Titov of Samara or Anatoliy Tyazhlov, head of the Moscow Oblast Administration, who suggested that the elections be postponed, but nor did he condemn them for this not entirely constitutional suggestion. The Federation Council, under the constitution, merely sets the election date; it cannot postpone the election indefinitely. Although anything is possible

in our country. So we should expect to see the emergence of new "Czech foundations" in the near future.

Russia: Lebed Gathers Enough Signatures To Run for Presidency

LD2903155096 Moscow INTERFAX in English
1313 GMT 29 Mar 96

[FBIS Transcribed Text] MOSCOW, March 29 (Interfax) — As many as 1.4 million signatures have been collected in support of General Aleksandr Lebed who wants to run for the Russian presidency, a well-informed source close to the general told Interfax. He said the lists of signatures will be submitted to the Central Election Commission next week.

Russia: Zhirinovskiy Collects Over 8 Million Signatures

LD2803175196 Moscow INTERFAX in English
1645 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 28 (Interfax) — 8,740,000 signatures in favor of nominating Liberal Democratic Party leader Vladimir Zhirinovskiy as a candidate for June's presidential elections were collected by Thursday [28 March], said the press service of the Liberal Democratic Party faction in the State Duma.

These signatures will be submitted to the Central Electoral Commission at 10 a.m. on Friday.

Russia: Witnesses of Theater Gun Incident Keep Mum

MM2803215296 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 29 Mar 96 p 2

[Feature under the general headline "'Razgulyay' Drives Into Something Nasty," comprising a report by Yelena Loriya entitled "Staffers of the President's Security Service 'Arrest' the Passengers of a Mercedes Parked Outside the Mayakovskiy Theater While Yeltsin Watches a Performance Inside" and a report by Aleksey Lazarev and Yevgeniy Smirnov entitled "Conflict at the Theater — State Secret?"]

[FBIS Translated Text] An unpleasant incident occurred at the Mayakovskiy Theater on Wednesday. Boris Yeltsin and Yuriy Luzhkov were in the theater that night with their wives, and Aleksandr Korzhakov was also there. The important guests were watching Ostrovskiy's play "Victim of the Century." A Mercedes-500 parked near the theater at about 1930. When asked by a traffic officer to move, the passengers in the car did not react. Furthermore, they even refused to talk to the traffic officer and just sent him away. Then they tried to leave the scene of the incident. But staffers from the

together with Listyev failed to stand up to scrutiny. This might provide an opening in the case, he said.

Commenting on criminal proceedings instituted against his predecessor Aleksey Ilyushenko, Skuratov said that "it was a very difficult move for me." However, "The quality of submitted materials gave the ground to make Ilyushenko answerable," Skuratov said.

Ilyushenko is accused of official abuses and bribery. Skuratov refused to name the specific instances on which Skuratov would stand trial, referring to "secret of investigation and colossal leakage of information" damaging the investigation.

Russia: Government Discusses Economic Restructuring

LD2803134296 Moscow Radio Rossii Network
in Russian 1100 GMT 28 Mar 96

[FBIS Translated Text] The Russian Government today examined progress in restructuring the economy. Our correspondent Regina Lukashina reports from the White House.

[Lukashina] The restructuring of industry and other sectors is one of the main goals of the reform, Viktor Chernomyrdin recalled, opening the sitting. The restructuring discards everything old and obsolete, and market laws make the economy work more efficiently. There are many problems on this path, which cannot be resolved without the involvement of theoreticians. It is necessary to think up incentives to enable financial funds to be channelled into production, to raise the proportion of taxes in a consolidated budget, and to bring natural monopolies under control.

In principle, western developed countries have already come through this. Now Russian economists must adjust the known theory to our conditions. However, judging from the fact that a report by Ivan Materov, deputy minister of economics, sounded unusually slack, nothing effective has been thought of yet.

Privatization, instead of investment and provision of social guarantees, has focussed on the political goal of creating a stratum of private owners. It is obvious that production capacities in Russia are not being used to the full. In the West this would have been solved simply — by making half of the employees redundant and by modernizing machinery — otherwise, uncompetitiveness and bankruptcy follow. In Russia this is feared less than social tension. That is why equipment is imported, and the country's own machine-building industry is content with manufacturing spare parts.

Another problem lies in high prices for transport and fuel. In theory these losses can be compensated by

high income taxes, but the population is unlikely to go for it, and the richest have learned how to evade taxes. Mechanisms for introducing a tax on property have also not been worked through. Therefore, Viktor Chernomyrdin did not get an answer to the question of what to do.

All the problems have once again to be resolved by its highness the market.

Russia: Skuratov Profiled; Current Efforts Assessed
964F1597A Moscow SEGODNYA in Russian
15 Mar 96 p 3

[Aleksey Makarkin portrait: "Yuriy Skuratov: 'The Procuracy Needs First To Be Cured and Saved': The Prosecutor General Has Not Thus Far Been Rejected by the Main Political Forces"]

[FBIS Translated Text] In the past four years four persons have occupied the chair of prosecutor general of the Russian Federation, and they had all spent a large part of their lives outside of Moscow, what is more. The former Khabarovsk prosecutor Valentin Stepankov is famous for having published a book on the trial in the State Emergency Committee case. Omsk Professor Aleksey Kazannik, who replaced him at the troubled time of October 1993, lasted only a few months and, following the swift amnesty of Messrs Rutskoy, Khasbulatov, and their ilk, left for home to involve himself in party building. After this, the duties of prosecutor general were performed for somewhat less than two years by former Krasnoyarsk Deputy District Attorney Aleksey Ilyushenko, who shortly after his dismissal moved to a prison investigation block. He was replaced by the Sverdlovskian Yuriy Skuratov, who, as distinct from his predecessor, was confirmed by the Federation Council as full prosecutor general at the first attempt.

Stages of His Biography

Yuriy Ilich Skuratov was born in 1952 in Ulan-Ude. He graduated from the Sverdlovsk Law Institute and completed his graduate studies and is a professor and doctor of legal sciences. He served in the Armed Forces in 1973-1974. In the period 1977-1989 he was a senior lecturer, assistant professor, head of a department, and dean of the Judicial-Public Prosecutions Faculty of the Sverdlovsk Law Institute. In the period 1989-1991 Mr. Skuratov was a deputy chief of the CPSU Central Committee Department for Legislative Initiatives and Legal Matters. In 1991-1993 he was senior legal counsel to the Interrepublic Security Service and minister of security of the Russian Federation. As of 1993 he held the position of director of the Russian

Strengthening of Law and Order. He had turned it down at that time because he considered it unethical to hold this position while the leader of the institute, Igor Ivanovich Karpets, was sick. It was obvious that those who had recommended Yuriy Skuratov for this position were hoping that the latter would shortly replace the director. Several months later Igor Karpets died, and Yuriy Skuratov was able to take charge of the institute with a clear conscience.

Obviously, it was not easy for him to take charge of a scientific establishment with its own traditions, particularly in the wake of his predecessor, who had been a lieutenant general of the militia, had back at the start of the 1960's become the institute's first director and had then for 10 years been in charge of the country's criminal investigation department and who had in his declining years returned to the institute. But Mr. Skuratov, who also formerly had had connections with the police, although not at such a high level (he had for a year performed his military service in a special police battalion), quickly succeeded in winning authority among his colleagues: not only by his professional competence but by his affable nature also.

New Appointment

Following the scandal connected with the activity of the acting prosecutor general, Mr. Ilyushenko, it became necessary to appoint to this office a "new" man unconnected with groupings in the leadership of the General Procuracy. The new candidate had to satisfy several requirements: to be an authoritative lawyer and a person who had a good reputation and who was politically neutral. The last point was particularly important for the candidate's confirmation in the Federation Council, which had repeatedly rejected Mr. Ilyushenko, who was of an unduly pro-president temperament.

A desperate attempt to prove his fitness for the post of prosecutor general was made by acting Prosecutor General Oleg Gaydanov, who sharply criticized his now former chief. There were rumors that the new prosecutor general would be chosen from the ranks of oblast prosecutors. But it was evidently decided to go with the candidacy of a person who had adapted to Moscow and who was not given to impulsive actions. Mr. Skuratov's candidacy was favorably received by the most varied people. Former Moscow Prosecutor Gennadiy Ponomarev had positive things to say about him. And the well-known lawyer Boris Zolotukhin welcomed the appointment of a "scholar who is not bound by any political predilections." The fact that Yuriy Skuratov had worked for a long time in Sverdlovsk did not trouble the lawmakers: The distance at that time between Boris

Yeltsin, first secretary of the oblast party committee, and a modest assistant professor working on his doctoral thesis was too great. Senator Aleksandr Belyayev said in an interview with SEGODNYA: "Having put the emphasis on professionals, Boris Yeltsin has demonstrated that he could be a real guarantor of public harmony."

In his interview with MOSKOVSKIYE NOVOSTI shortly after his confirmation in office by the Federation Council (no one was opposed, one senator abstained) the new prosecutor general declared: "The procuracy needs first to be cured and saved." This accorded perfectly with his first steps in his new office. Yuriy Skuratov maintained that prior to his new appointment he had held an ideal position: He was party to the work of the General Procuracy and at the same time he observed it from outside. The prosecutor general promised no personnel purges but he intended to "improve the moral-psychological climate of the procuracy." In his opinion, personnel changes should consist primarily not of dismissals but of the enlistment of valuable and experienced specialists.

The resignation of First Deputy Prosecutor General Vildan Uzbekov, who had been mentioned frequently in connection with the Balkar Trading affair, was accepted, and Oleg Gaydanov was relieved of office. New people took their place. Mr. Uzbekov was replaced by Yuriy Chayka, prosecutor of Irkutsk Oblast. Another deputy prosecutor general is Aleksandr Rozanov, who worked together with his chief in the security authorities: He had recently been first deputy chief of the FSB [Federal Security Service] Legal Office (Mr. Rozanov had previously been in charge of the USSR General Procuracy Letters and Reception of the Citizens Office). Finally, Mikhail Katyshev, who was in charge of the General Procuracy's Investigation Office and who enjoyed authority among experienced investigators, including those who had quit public service under Mr. Ilyushenko, was appointed to Mr. Gaydanov's position.

Prosecutor General

Yuriy Skuratov made swift and decisive personnel changes among his immediate associates. He thereby assumed the entire responsibility for the efficiency of the work of the General Procuracy, depriving himself of a convenient argument in the form of a reference to "someone else's team" hampering the work. There immediately followed a whole number of measures to enhance the authority of the General Procuracy. Under the new leader the institution under his jurisdiction has ceased handling "strange" cases like the prosecution of the "Kukly" television program. But in his first weeks in office, on the other hand, the prosecutor general sent Viktor Chernomyrdin a letter concerning the tax arrears

with Russian Federation tax law of the schedule and rates of republic taxes and levies;

- the implementation of measures to develop the culture and languages and preserve the historical legacy of the peoples living on Komi Republic territory;

- participation in the implementation of foreign economic and international ties and the conclusion with the components of other federations and the administrative-territorial entities of foreign states of agreements insofar as they do not contravene the constitution, legislation, and international obligations of the Russian Federation;

- and other spheres of responsibility outside the bounds of the competence of the Russian Federation and the powers of the Russian Federation pertaining to spheres of joint responsibility of the Russian Federation and the Komi Republic.

Article 2

In addition to the general areas of joint responsibility of the Russian Federation and its components laid down in Article 72 of the Russian Federation Constitution, this treaty defines the following areas of joint responsibility of the Russian Federation and the Komi Republic:

- the socioeconomic development of the Komi Republic, whose territory, according to federal legislation, is considered a region of the Far North or equivalent locality, including the implementation of the federal targeted Program for the Development of the Komi Republic Economy;

- the formation of special (targeted) budget and non-budget funds for the financing of programs to be implemented jointly by federal organs of executive power and the organs of executive power of the Komi Republic.

Article 3

To enable the Russian Federation and the Komi Republic to exercise joint responsibility, as envisaged by the Russian Federation Constitution, in questions of the possession, use, and disposal of land, minerals, water, and other natural resources, it is established that the Komi Republic organs of executive power, in coordination with Russian Federation organs of executive power and in accordance with federal and republic legislation, are to define the procedure for the use and protection of natural resources, including the setting of norms and quotas, licensing, expert appraisal, payment for the use of natural resources, and the accounting and valuation of stocks of natural resources.

Article 4

With regard to spheres of joint responsibility of the Russian Federation and the Komi Republic laid down by this treaty federal laws may be adopted whereby the Komi Republic organs of state power exercise legal regulation within the bounds of their competence, including the adoption of laws and other normative legal acts.

After the adoption of a federal law on a specific sphere of joint responsibility, the laws and other normative legal acts of the Komi Republic are to be brought into line with it. Laws and other normative legal acts of the Komi Republic not brought into accord with the federal law shall not be enforced.

Article 5

In accordance with Russian Federation legislation and the provisions indicated in Article 2 of this treaty and within the limits of the resources envisaged for these purposes by the federal budget, the organs of state power of the Russian Federation shall:

- take part in providing on Komi Republic territory state guarantees and compensation payments for individuals working and living in regions of the Far North and equivalent localities;

- finance the federal targeted program "Construction on the Territory of the Russian Federation of Housing for Citizens Migrating From Regions of the Far North and Equivalent Localities (1993-2005)";

- and implement measures of state financial support for the early shipment of output (freight) to the Komi Republic.

Article 6

In the spheres of joint responsibility defined by Article 72 of the Russian Federation Constitution and by the present treaty federal organs of executive power and the Komi Republic organs of executive power conclude agreements on the demarcation of powers in individual spheres of joint responsibility.

Agreements on the demarcation of powers in individual spheres of joint responsibility are an inalienable part of this Treaty and enter into force only after its signing.

Agreements on the demarcation of powers in individual spheres of joint responsibility may be signed by organs of executive power at any time after this treaty's entry into force.

Article 7

To implement the provisions of this treaty Russian Federation organs of executive power and the Komi Republic organs of executive power are empowered

4. To carry out the tasks entrusted to it, the Council has the right:

— to request and obtain in accordance with the established procedure the necessary information from federal organs of executive power, organs of executive power of Russian Federation components, public associations, and scientific organizations;

— to organize and hold conferences, consultations, and other measures, inviting to them representatives of public associations of veterans and reserve and retired officers;

— to listen at its sessions to information from officials of federal organs of executive power on questions of the implementation of state policy in the sphere of the veterans' movement.

5. The Council's composition and chairman are approved by the Russian Federation president.

The Council's members participate in its work on the voluntary service principle.

The Council's chairman or, on his behalf, one of his deputies directs the Council's sessions.

Sessions are held at least once a month. A Council session is empowered if attended by over two-thirds of the Council's membership.

Decisions are adopted by a simple majority of votes.

Council decisions are of a recommendatory nature, take the form of protocols, and are forwarded to the Russian Federation president.

6. The Council conducts its activity in accordance with plans approved by the Council chairman.

7. In order to prepare materials for sessions and to carry out expert and analytical work, the Council may set up working groups with the participation of qualified specialists under the leadership of a Council member.

8. The Council's activity is given financial, material, and technical support by the Russian Federation president's Administration of Affairs, and organizational support by the working apparatus, which forms part of the Russian Federation Presidential Staff. Staffers of the working apparatus are appointed by directive of the leader of the Russian Federation Presidential Staff.

Russia: Personnel Changes in Government Organs Listed

MM2903094096 *Moscow ROSSIYSKAYA GAZETA in Russian* 28 Mar 96 p 5

[Russian Federation Government 20 March 1996 Decree no. 307 "On Government Coordination and Consultative Organs"]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. V.V. Kadannikov, first deputy chairman of the Russian Federation Government, is to be assigned the leadership of the following:

— the government commission for questions of financial and monetary-credit policy;

— the Russian Federation Government commission for tariffs for rail trips;

— the working group for the elaboration of the draft program for the development of the Russian Federation's industrial and gem diamond complex.

A.B. Chubays is to be relieved of the duties of leader of these organs.

2. A.A. Bolshakov, deputy chairman of the Russian Federation Government, is to be assigned the leadership of the Government Commission for the Affairs of Compatriots Abroad, relieving S.M. Shakhray of these duties.

3. A.I. Kazakov, deputy chairman of the Russian Federation Government, is to be assigned leadership of the following:

— the commission for the examination and preparation of normative acts for the reform of state enterprises and the management of federal property,

— the federal commission under the Russian Federation Government for ensuring the formation of federal budget revenue from money from privatization;

— the commission for the implementation of the 29 June 1995 treaty on the delimitation of subjects of management and powers between the organs of state power of the Russian Federation and the organs of state power of the Republic of Sakha (Yakutia) on the delimitation of powers for individual subjects of joint management of the Russian Federation and the Republic of Sakha (Yakutia) and also the monitoring of their observance;

— the Russian Federation Government experts' council for questions of insurance

A.I. Kazmin, president of the Savings Bank of the Russian Federation (by cooption);

O.V. Vyugin, Russian Federation deputy finance minister.

The following are to be excluded from the aforementioned committee: A.B. Chubays, V.P. Polevanov, T.V. Paramonova, and A.A. Sedov.

2. To appoint V.V. Kadannikov, first deputy chairman of the Russian Federation government, as chairman of the Government Commission for Finance and Monetary Policy Questions, and O.V. Vyugin, Russian Federation deputy finance minister, as senior secretary of the said commission, relieving A.I. Kazmin of these duties.

3. To exclude A.I. Kazmin and T.N. Chugunov from the working group of the Government Commission for Finance and Monetary Policy Questions formed by Russian Federation Government Decree No. 1375 of 13 December 1994, and to include in the group O.V. Vyugin (as leader), A.E. Polonskiy, and A.V. Turbanov.

4. The Russian Federation Ministry of Finance and the Central Bank of the Russian Federation are to examine the question of clarifying the functions carried out by the Government Commission for Finance and Monetary Policy Questions and the question of extending the participation of representatives of the Central Bank of the Russian Federation in its work, and to present the necessary proposals to the Russian Federation Government within one month.

[signed] Russian Federation Government Chairman V. Chernomyrdin

[dated] 20 March 1996

Media Issues

Russia: 'Unified' Military Media System To Be Recreated

MM2903102096 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 29 Mar 96 p 3

["Own Information" report: "News War at Defense Ministry"]

[FBIS Translated Text] Meetings of the leadership of the military mass media began in Moscow yesterday. There are 65 military newspapers and eight journals currently published in Russia, and more than 160 TV centers operate at garrisons. These conferences have not been held for several years. Army General Mikhail Kolesnikov, chief of the Russian Federation General Staff, who delivered a report to the military journalists, said that this has led to the loss of a unified military news system. It has now been decided to recreate this

system. First and foremost, in order to win the "news war," which, in the opinion of the military, is being waged against the Army by "some of the mass media."

Russia: Rejection of TV Law Veto Raises 'Specter of Censorship'

MM2903121796 Moscow ROSSIYSKIYE VESTI
in Russian 28 Mar 96 p 2

[Report by Nikolay Vaynonen under the "Press and Power" rubric: "The Specter of Censorship Is Haunting the Air Waves"]

[FBIS Translated Text] It did not require much effort on the part of the new Duma to overturn the presidential veto imposed on the Law "On Television and Radio Broadcasting" last summer. The president, I would remind readers, convincingly demonstrated to the then Duma the flagrant contradictions between the legal act it had adopted and the Russian Federation Constitution and existing legislation on the mass media. Now, as people will know, the anti-Yeltsin voting machine works much better. Another thing is noteworthy: The Duma's decision coincided with the launch of the Communists' election campaign. It is difficult not to draw a parallel between the overturning of the veto and the call "to carpet" the chiefs of federal television and radio companies which cover the lower chamber's work "inappropriately," in the Duma majority's opinion. But while S. Blagovolin and E. Sagalayev have managed to date to keep the discontented tactically in check, if the new law is enacted journalists and indeed all of us television viewers will have a tough time of it.

A so-called Federal Commission for Television and Radio Broadcasting will be set up under Chapter IV of this Duma brainchild. Unlike the existing federal television and radio service, the commission is effectively vested with censorship powers. Article 25 states that the commission "monitors compliance with requirements concerning:...." A long list follows in which first place is occupied by "television and radio broadcasting during the holding of elections or referendums." It might have been simpler and clearer to say that the commission monitors compliance with legislation on the broadcasting mass media. But no, a list was required. The list, albeit not complete (you could not list all the laws on the mass media!), is terribly, terrifyingly strict. Paragraph 6 of Article 25 is a particularly frightening read: If there is any violation of the requirements monitored by the commission it "will revoke the broadcasting license." That is the way it will be — without investigation or trial. Everything is revoked. If, for example, the moderator of a television election debate ventures to express his own opinion on a particular presidential contender (and such

signed at a conference involving all parties to the treaty in May.

Judging by the breakdown given to the Americans, the General Staff is planning to create mobile forces based on the Airborne Troops and the naval infantry to take part in military conflicts in the former USSR and use nuclear forces to curb an outside threat, meaning confrontation with the most likely enemy in the Baltic and Caspian regions. The Ground Forces and Navy will be downsized owing to lack of money, while the Air Defense Forces will be disbanded and transferred in part to the Air Force and in part to the Strategic Rocket Forces. The Army will gradually become professional; its numerical strength will diminish over the next five years to 1.4-1.5 million, and the number of top brass will be cut by a factor of three.

The General Staff Main Directorate for Operations will now provide details on and operational appendices to these provisions — regardless, it seems, of General Grachev's personal fate.

Russia: General Calls For Respect, Support of Internal Troops

MM2803153096 Moscow ROSSIYSKAYA GAZETA
in Russian 27 Mar 96 pp 1, 2

[Interview with Lieutenant General Viktor Gafarov, first deputy commander of the Russian Federation MVD Internal Troops, by Boris Yamshanov; place, date not given: "Guardians of Law and Order. Today the Internal Troops Celebrate Their Birthday. And Their Own Ceremonial March Is To Be Heard for the First Time"]

[FBIS Translated Excerpt] [passage omitted]
[Yamshanov] Viktor Sergeyevich, what are the Internal Troops like today; what are their numbers, and what are their structure, equipment, and tasks?

[Gafarov] Since 1992 we have been living under the Russian Federation Law "On the Russian Federation MVD [Ministry of Internal Affairs] Internal Troops." Seven districts of internal troops, which are composed of operational, security, special, aviation, and naval units, have been set up on the country's territory. There are five military schools where the officer cadres are trained. The total number of troops is also defined by law: 300,000. True, today there is a shortfall of around 40 percent.

[Yamshanov] Your troops are currently charged with the heavy burden of restoring constitutional order in Chechnya. What have the Chechnya events shown? Are the Internal Troops coping with their new tasks, or are some modifications needed?

[Gafarov] On the whole, the structure of the troops and the standard of their training ensure fulfillment of the tasks. But operations in "hot spots" are not like soccer at Luzhniki [Moscow Stadium]. Different equipment is required there.

Armored vehicles and armored personnel carriers are needed so as not to expose people to the risks of traveling in open vehicles. A tank company must be added to the regiment, to offer units cover and fire support and for storming fortified positions. We need our own artillery, above all mortars, and also fire-support helicopters.

In short, we have to revise our troops' equipment entirely to allow for the fact they have to deal with professional, well-organized, and well-armed gunmen. This process is already under way, but it is proceeding slowly at the moment. For instance, we have only 45 percent of the APC's we need, and our manpower requirements are only one-third met. This spring we will require 100,000 draftees but are being promised only 34,000. We have been forced to appeal to the president for help.

[Yamshanov] Is the shortage of manpower responsible for the fact that the inducted recruit finds himself on the front line within a month?

[Gafarov] Such incidents should be ruled out in principle. After induction young soldiers train for a month at training centers under the leadership of the best officers, then join subunits of the line, where they initially perform their duties under a relatively relaxed regime, first as understudies, on secondary assignments, while they pick up experience. They cannot be sent to sectors involving danger in less than six months. Those are the rules.

[Yamshanov] The general prosecutor recently made representations to the minister of internal affairs about the poor facilities and food experienced by personnel. Can we not even feed our troops nowadays?

[Gafarov] The weakness of the material base is one of our troubles. In our country we have always thought about people last of all, hence very little has been set up for daily life in wartime. Yet the Chechen conflict, after all, is not a war in which the troops are permanently on the move. We withdrew units from population centers into open fields, and they have been camped there all winter long, exposed to the four winds. We received a couple of prefabricated metal structures and equipped them as checkpoints — that is the extent of our social scientific and technical thinking. Where is our much-vaunted engineering potential?

deliver 1,000 warheads to their targets, that is after the first strike it is possible to acquire the right to rule the planet. So we created nuclear weapons — the Americans had to be stopped. And they in turn stopped us. So we had the arms race. The politicians finally understood that it had gone far enough. And disarmament began. But we cannot do what some hotheads urge: "We shall destroy everything in succession and America can sort out its own nuclear warheads!" Moreover, some people are even saying: We should sell all our warheads to America and let America maintain peace on the planet. I think that it will "maintain peace" in such a way that it will remain the only country on Mother Earth.... [passage omitted]

[Gubarev] You joined Sakharov's section as a captain. If you were not a lieutenant general but a captain today would you come here to work?

[Negin] In today's situation, no.

[Gubarev] Why not?

[Negin] Destruction is under way everywhere, in science as a whole, in our sphere in particular. Today there is nothing for a military man to do in the federal nuclear center.

[Gubarev] Do you believe that the center has no future?

[Negin] That is not so. With my fellow servicemen and aides I am trying to do everything for it to have a future. The center must be preserved. About 20-30 of the present employees must engage in fundamental work, that is continue to make weapons including but not exclusively nuclear weapons. In my view conversion for Arzamas-16 is the transition to the creation of non-nuclear weapons. Incidentally, we have won several competitions and the boys are working on a couple of new systems.... But I do not know what all the others are to do. From my viewpoint in Arzamas-16 we should leave a purely military center, not diluting it with "civilian output" but that is not very feasible. But the state must be concerned for top-class specialists and the city's inhabitants. But as you understand very well under present conditions such a solution of the problem is not feasible.

[Gubarev] There is an idea that the creation of Arzamas-16 half a century ago was an outstanding even and that even under present conditions we would not manage to create such a center.

[Negin] That is wrong. Of course, in the past gigantic efforts were required and everything had to be started from zero. But today there are far more strong physicists and there are enough designers both for the missile troops and in the air force. The country is also far

more powerful (despite the collapse) on the scientific and technical plane. So do not believe those who say that "everything used to be better." We must value the past and pay tribute to it but we should not exaggerate its importance.

[Gubarev] But nonetheless the state's support is essential?

[Negin] Without it Arzamas-16 would simply cease to exist. I think our leaders will have enough intelligence (or a lack of intelligence, I do not know how to put it correctly) to ensure that we do not lose everything. And that is possible because destroying is not building. We could lose unique specialties — our specialty, missile and aircraft specialties.... Yet they form the basis of modern military matters and consequently of the country's defense.

[Gubarev] What do you think, how many people are there in the world who understand all the subtleties of nuclear weapons and consequently are capable of creating them?

[Negin] In our country there are something like 500 people who can make them independently. That is what I think....

[Gubarev] And in America?

[Negin] Slightly fewer.

[Gubarev] So the fate of the nuclear world depends on 1,000 people?

[Negin] Crudely speaking yes. It is true that we must also add the French, British, and Chinese. So that there is a total of about 2,000 or 3,000 at most.... But nonetheless I want to tell people who surround me and who may hear me that you should not be afraid of nuclear weapons! I am firmly convinced that they will not be used and ultimately mankind will get rid of them. Yes, history has organized things so that there were two different social systems and nuclear weapons equalized the situation on the planet. And as long as parity exists between the United States and Russia war is impossible and so we and the Americans must gradually abolish nuclear weapons step by step, jointly, under reciprocal control.

Federal Assembly

Russia: State Duma May Reopen Issue of Belovezhskaya Accords

LD2803171596 Moscow INTERFAX in English
1608 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 28 (Interfax)
— Chairman of Russia's State Duma and heads of

According to Seleznev, he did not know about this request until he received a malicious answer from the presidential administration.

Apparently, Abdulatipov had made the request on behalf of the Duma.

Seleznev was then informed by presidential aides that "if Duma intends to purchase a house in Groznyy for its commission so let it purchase with its own money".

Seleznev later made public this fact at a Duma meeting. He said that as regards a house in Groznyy they "perhaps could explain themselves with Abdulatipov on this account sometime."

This is not the first accusation in "excessive political preferences laid at my door and therefore let them submit their proofs", Seleznev stated.

He will also insist that Duma creates a commission on ethics which would "judge similar unsubstantiated allegations."

"Simply it is not decent," he concluded.

Russia: Duma Deputy Opposes Moves To Oust Chairman

LD2803182696 Moscow INTERFAX in English
1647 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, March 28 (Interfax) — Attempts by a number of deputies to remove Duma Chairman Gennady Seleznev (Communist Party) from his post are "untimely and hopeless," Duma deputy Irina Khakamada (Independent) told Interfax Thursday.

Konstantin Borovoy (Independent), leader of the Economic Freedom Party, sent a statement to the media Wednesday announcing his intention to initiate the formation of a "supra-faction non-Communist coalition" which would begin the process of removing Seleznev. Another deputy, Ramazan Abdulatipov (Russia's Regions), said earlier this week that "having a speaker who represents the interests of just one faction, chains the chamber's legislative activity and could realistically lead to the Duma's dismissal."

This, according to Khakamada, however, is "entirely unrealistic, as the majority of the deputies will not vote for his removal." Even if Seleznev's opponents succeed in removing him, he may be replaced "by an even more hard-line politician," she said.

"The issue of the Duma speaker is best left alone," before the presidential elections, she said.

Russia: Duma Chairman Seleznev Rejects 'Politicization' Accusations

LD2803184096 Moscow INTERFAX in English
1608 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 28 (Interfax) — State Duma chairman Gennadiy Seleznev rejected accusations of his politicization put forward by several deputies of the chamber, in particular, by representatives of the pro-government Our Home is Russia faction.

Seleznev said he is creating a commission on ethics to which "statements of such kind" will be forwarded for an assessment. "Appropriate proofs are needed for such accusations," he said, and added that he views these statements as "simply dishonorable."

Russia: Deputies Comment on Furor Over Duma Decrees

MM2903112596 Moscow PRAVDA-5 in Russian
29 Mar-5 Apr 96 p 2

[Feature comprising remarks by Russian State Duma Deputies Georgiy Tikhonov, Nikolay Bindyukov, and Kazbek Tsiku, all members of the Duma Committee for CIS Affairs and Relations With Fellow Countrymen: "Can You Step Into the Same River Twice..."]

[FBIS Translated Text] So the commotion made by the mass media following the State Duma's adoption of the well-known decrees is apparently not dying down.

The president and his supporters, as well as leaders of the CIS countries, without reading the documents, expressed their indignation. The mass media tirelessly repeat their accusations.

Time has passed, but nothing terrible has happened. Indeed, Belarus has taken a step toward Russia. During a meeting with Boris Yeltsin, Belarusian President Alyaksandr Lukashenka agreed to sign a treaty with Russia, which other republics could join later. Semyon Sharet-sky, speaker of the Belarusian parliament, and Yegor Stroyev, chairman of the Russian Federation Federation Council, have already adopted a joint statement on deepening parliamentary collaboration to develop integration processes between the two states.

So the facts speak for themselves, but passions are still running high. Here are the views of State Duma Deputies Georgiy Tikhonov, Nikolay Bindyukov, and Kazbek Tsiku. They all represent the [State Duma] Committee for CIS Affairs and Relations With Fellow Countrymen.

petrated in late 1991. After the illegitimate Belovezhskaya accords the USSR Supreme Soviet was disbanded by force. That is confirmed by the documents and transcripts of the sessions that have been preserved.

Now that the Duma has, through its decrees, given an objective assessment of those tragic events and laid the foundations for the speediest development of integration processes, it has all but become the victim of a provocation itself. Those who are to blame for the breakup of the Union refused to admit that they are the criminals, adopting a stance of crying "Stop, thief!"

Eduard Shevardnadze took a negative view of the decision on denouncing the Belovezhskaya deal, as did others who "contributed." Of course, he does not want to share his power, and he is afraid of having to pay for old sins. And he has plenty of those — he all but made the United States a present of our lands in the Bering Strait.

The fuss is gradually dying down. Gennadiy Seleznev, at a meeting with foreign countries' ambassadors, has explained the content of the Duma documents.

The sensational Duma decrees will not, of course, automatically restore the broken-up state and will not entail strong-arm pressure on the former union republics. They apply only to the Russian Federation and do not revoke accords within the CIS framework.

Once the "stain" of Belovezhskaya Pushcha was washed away, despite the authorities' fear, the links with other republics were strengthened both legally (Russia has announced that the doors are open) and practically. Russia's treaty with Belarus is the logical continuation of our initiative.

Regional Affairs

Russia: Imports Cause 'Crisis' in Leningrad Poultry Farming Sector

MM2903104696 Moscow SELSKAYA ZHIZN
in Russian 28 Mar 96 p 2

[Report by Vladimir Roslov: "Dumping. Legs Have Arrived, But Not by the Right Route"]

[FBIS Translated Text] The situation in the majority of Leningrad Oblast's poultry farms is reaching crisis level. The "Severnaya" and "Lomonosovskaya" broiler farms have shut down completely and the "Russko-Vysotskaya" farm will cease work any moment now. The "Lebyazhye" enterprise has wound up its affairs and many other poultry farms are on the verge of collapse.

One of the main reasons for this situation is a lack of finance. The federal budget owes "Lenpfitseprom" [Leningrad Poultry Industry] 12 billion rubles. Instead

of helping local producers, the city leadership is encouraging the import of poultry products from abroad.

Russia: Kemerovo Oblast Boss 'at War' With Legislators

MM2803153196 Moscow PRAVDA in Russian
28 Mar 96 p 1

[Report by Valentina Nikiforova: "Special-Purpose Police Detachment Versus Deputies"]

[FBIS Translated Text] The Kuzbass has reached fever pitch again: M. Kislyuk, head of Kemerovo Oblast Administration, is at war with the Legislative Assembly. The 22 March session was disrupted under his watchful eye. It was attended by 20 of the 32 deputies. Hearings had to be held instead of the session.

The head of the oblast administration had won. Deputies had set out their terms: Either the session would be held 26 March, or they would go on hunger strike. M. Kislyuk obviously decided to put their word to the test, so on 26 March about 150 members of a special-purpose police detachment sealed off all approaches to the Legislative Assembly building. A public mockery was made of the people's elected representatives. They were mocked with impunity, with the tacit consent of the General Prosecutor's Office.

Here is the proof. On 13 March, State Duma Deputy V. Medikov sent an inquiry to General Prosecutor Yu. Skuratov:

"Much has been said in the last two years in the Kuzbass, and also in the federal mass media, about numerous breaches of the law by Kemerovo Oblast Administration and its head, M.B. Kislyuk. This is confirmed by decisions made by the Russian Federation Comptroller's Office, the courts, the Finance Ministry, and other bodies of authority.

"For the last two years the State Duma Security Committee has been studying problems of lawlessness and corruption in Kemerovo Oblast. At a State Duma session 23 February 1996 Chairman of the Security Committee V.I. Ilyukhin said the following: 'Criminal charges have been brought in more than 80 cases of lawbreaking in Kemerovo Oblast relating solely to actions by the administration.... My question is this: Why do you not reconsider Kislyuk's suitability for the office he holds?' I would like to know what measures are being taken by law enforcement bodies in connection with these facts."

But instead of an answer to his question (or perhaps this was the answer?) a special-purpose police detachment was used against the deputies. So who is going to take on M. Kislyuk?

Known stocks of "Lukoil-Langepasneftegaz" are over 2.3 billion barrels of oil while those of "Lukoil-Urayneftegaz" are 0.6 billion barrels and those of "Lukoil-Kogalymneftegaz" are about 5.0 billion barrels.

These figures do not include the reserves of other subsidiaries of the Russian oil company: "Lukoil-Astrakhanneft," "Lukoil-Permneft," "Lukoil-Nizhnevolzhskneft," "Lukoil-Kaliningradmorneft," and their joint ventures.

Nor were the reserves of the Lukoil oil company's enterprises outside Russia considered, in particular those belonging to the International Caspian consortium, which is developing deposits in the Caspian Sea, and the company's other projects in Azerbaijan, Kazakhstan, and outside the former USSR.

According to Lukoil's own assessments the company's total known reserves of oil in Western Siberia, the European part of Russia, and the CIS countries reach 10.5 billion barrels.

Russia: Pyramid Scheme Investors Meet, Seek Help at U.S. Embassy

*MK2903114296 Moscow SEGODNYA in Russian
29 Mar 96 p 2*

[Report by Igor Dvinskiy under the "Requests" rubric: "Cheated Investors Turn to the U.S. Embassy for Help"]

[FBIS Translated Text] SEGODNYA has learned from informed sources that a delegation of representatives of Russian investors defrauded of their money was received at the U.S. Embassy in Moscow yesterday. The Americans took the matter fairly seriously — as many as four diplomats attended the meeting on their behalf. According to representatives of the deceived investors, they timed this meeting to coincide with Bill Clinton's upcoming visit to Moscow. They attributed their woes to corruption in Russia's upper echelons of power (fairly well-known names were mentioned during the conversation), organized crime, and the Chechen problem. At the conclusion, the investors turned a number of documents over to the diplomats, and also a letter to the U.S. ambassador, asking him for assistance in arranging a meeting with Bill Clinton.

The U.S. diplomats' reaction was fairly reserved. They made it clear that the problem of Russian investors holds interest for them insofar as it concerns their own national interests. At the same time, Mr. Winnick, first secretary of the U.S. Embassy's economic department, said that he did not see any link between the problem of corruption in the Russian authorities and the investors' specific problems. Yet he noted that all aspects of the problem that might concern U.S. national security would

be taken into account and analyzed. To all appearances, the Americans are concerned by the unpredictability of the behavior of 40 million investors in the upcoming election. On the other hand, a flow of "dirty money" from Russian pyramids that have gone bust could pose a direct threat to U.S. national security. In conclusion, Mr. Winnick emphasized that in the event such money is found, the United States will do its utmost to return it to its legitimate owners. In addition, the diplomat assured the investors that information on this problem would be passed to the ambassador and, if necessary, sent to the U.S. Department of State.

Russia: Moscow To Tighten Tax Collection From Provinces

*MK2703124796 Moscow SEGODNYA in Russian
27 Mar 96 p 1*

[Report by Svetlana Lolayeva: "The Government Has Resorted To Scaring the Federation Components. The Harshness of Moscow's Demands Is Aimed at Having the Treasury Replenished"]

[FBIS Translated Text] The Russian government has taken the recommendations of the International Monetary Fund regarding a rise in the revenue part of the budget very much to heart. A week ago, Viktor Chernomyrdin signed a decree "On Measures To Implement the Federal Law on the 1996 Federal Budget." Proceeding from the volume of revenue, expenditures, as well as the budget deficit approved by law, this seemingly quite ordinary document specifies the way the government intends to implement the budget. The decree does not contain anything particularly new as regards the execution of its expense part.

The main pathos of the document is in the measures the government plans to take in order to have the expense part of the budget executed. The government failed to set the world on fire and to come up with any new tangible and realistic sources of budget replenishment. It is proposed that revenues to the federal budget be increased by way of altering the rates for the allocation of funds received from privatization. The Finance Ministry, the State Property Committee, and the Federal Commission on the Securities Market have been commissioned to prepare a draft for a relevant presidential edict that would envision, in particular, abolishment of the allocations of privatization revenues to the Federal Fund for the Support of Small Business. In view of the recent promises of the president and the premier at the congress of small business representatives regarding the thorough support of small enterprises, this proposal seems somewhat odd on the threshold of the presidential election. As for another intention of the

Oleg Soskovets also reacted quite sharply to the blind following of the IMF advice. It is known what harm is caused to Russian industry by the expansion of foreign competitors to our domestic market. Yet, the vice premier recalled, Japan and Korea have still not liberalized their foreign economic activity.

In the opinion of First Vice Premier V. Kadannikov, today we should already be thinking about forming next year's budget. And if anyone believes that we can manage with only indirect methods of support for industry then he is profoundly wrong. V. Kadannikov urges: While there is still time we must engage in reducing next year's budget expenditure in order to release funds to help industry, to change the taxation base, and to pursue policy in a different way.

Viktor Chernomyrdin called yet again for a very serious approach toward the problem of structural restructuring, making it not a collection of diffuse formulas but a specific program. He instructed O. Soskovets and V. Kadannikov to work on this question yet again.

Russia: Rosvooruzheniye Increases Arms Sales 65 Percent in 1995

LD2803152296 Moscow INTERFAX in English
1310 GMT 28 Mar 96

[FBIS Transcribed Text] MOSCOW, March 28 (Interfax) — The sale of Russian arms by the exporting company Rosvooruzheniye grew by 65 percent or by \$1.1 billion to \$2.2 billion in 1995 from 1994, Maj. Gen. Aleksandr Kotelkin, general director of Rosvooruzheniye, has reported.

"This happened at a time when the world munitions market shrunk almost 100 percent," Kotelkin said at a briefing timed for the annual meeting of Rosvooruzheniye's Coordinating Supervisory Council.

Valeriy Pogrebenkov, chief of Rosvooruzheniye's press department, told Interfax that last year's Russian arms sales fetched about \$3 billion. "The difference of \$200 million to \$300 million results from MiG aircraft sales," he explained, adding that Russia is considered the world's second or third biggest arms seller.

"Former USSR arms trade peaked in 1987 when its sales totalled over \$20 billion. But even then only about \$2.5 billion really reached the coffers since for ideologic reasons, the bulk of arms was shipped on a non-compensatory basis or on credit, which no one bothered to return to the USSR at the time," Pogrebenkov said.

With trade missions in 30 countries, Rosvooruzheniye sells arms to 51 states outside the CIS, and "its contracts for 1996 total over \$7 billion," he said.

Hailing the company's activity at the briefing on President Yeltsin's behalf, his adviser on military and technical cooperation Boris Kuzyk emphasized that unlike the former USSR, Russia does business with partners exclusively for profit rather than for charity. "No one can dictate to Russia on the market of arms. We are doing and will do only what we consider is necessary," he said.

To make his point clearer, Kuzyk recalled "a fruitful conversation" between President Hafiz al-Asad of Syria and Aleksandr Kotelkin on Tuesday about the prospects of military and technical cooperation between their countries, focusing on "several programs related to air force, anti-aircraft defense, and ground troops."

Although Syria is one of Russia's major arms buyers alongside India, Malaysia, China, Algeria, and Cuba, last year's principal importer was India as it accounted for about 40 percent of the Russian export, Pogrebenkov reported, adding that China was the second biggest buyer. "But we are bound by classified information and confidentiality agreements with Beijing and other partners," he explained.

Kotelkin and Kuzyk refuted reports that some of the Russian arms sold to Turkey had ultimately been handed to Chechen militants. "In selling MI-17 and BTR-80 helicopters and guns to Turkey for the needs of its police, we apply strict control and check compliance with the ban on re-exporting Russian arms," Kotelkin said.

Russia: Davydov Predicts Future Trade Growth With Pacific Rim

LD2803143396 Moscow ITAR-TASS in English
1250 GMT 28 Mar 96

[By Irina Bolshova]

[FBIS Transcribed Text] MOSCOW, March 28 (Itar-Tass) — Countries in the Asia-Pacific Region (APR) are major markets, on the basis of which world trade will develop in the 21st century. Russia, a larger part of the territory of which is situated in Asia, cannot but be interested in getting integrated into the economic system of countries in the region. "Our markets there will become priority ones from the viewpoint of giving greater scope to the export of Russian engineering and research-intensive products", Vice-Premier Oleg Davydov told Itar-Tass on Thursday.

Practical work has begun in all areas of cooperation with APR countries, trust between states is growing, and practical cooperation in global and regional affairs is gathering momentum, Davydov emphasised.

International Affairs

Ukraine: Black Sea Fleet Distribution Resolved at Tysoverts Meeting

LD2803175096 Kiev UNIAR in Ukrainian
1715 GMT 28 Mar 96

[FBIS Translated Text] The problem of dividing the Black Sea Fleet can be finally solved by the prime ministers of Ukraine and Russia, because this problem is, first and foremost, a political one. Valeriy Shmarov and Pavel Grachev, defense ministers of Ukraine and Russia, arrived at this conclusion during the plenary sitting of the two countries' defense ministries in Tysoverts.

The issue of transferring to Ukraine its share of vessels and naval aviation was finally resolved at the sitting. The sides drew up a schedule for the second stage of dividing the Black Sea Fleet and agreed a protocol on cooperation between the naval forces of Ukraine and the Black Sea Fleet.

Ukraine: Kuchma: Kiev's Position on Black Sea Fleet 'Consistent'

LD2803214996 Moscow INTERFAX in English
1944 GMT 28 Mar 96

[FBIS Transcribed Text] KIEV, March 28 (INTERFAX - Ukraine) — Ukrainian President Leonid Kuchma told Interfax - Ukraine that Kiev's position on the further fate of the Black Sea Fleet has not changed and remains as "consistent and predictable" as ever.

He recalled that during yesterday's telephone conversation, the presidents of Ukraine and Russia discussed details of Boris Yeltsin's visit to Kiev, scheduled for early April. According to Kuchma, the two leaders had "a sincere and warm conversation and reiterated mutual interest in holding the bilateral summit and in signing a full-scale political treaty between Ukraine and Russia, as well as a series of other documents." During the conversation Yeltsin reiterated his intention to arrive in Kiev on April 4-5.

Kuchma said that Yeltsin and himself had discussed certain outstanding issues, such as the Black Sea Fleet. The two men agreed to tell the prime ministers and defense ministers to discuss the issues thoroughly and work out solutions before the visit.

Kuchma believes that both sides are engaged in "a normal working process."

Asked about the possibility of postponing Yeltsin's visit to Ukraine, Kuchma said that it was essential that "the opponents of mutually beneficial Ukrainian-Russian relations should not be allowed to use the normal course of the negotiating process for adding

to the tension and fomenting political passions. This would harm the interest of our independent states, of the Ukrainian and Russian peoples."

Ukraine: Marchuk Cites 'Large Gap' With Russia on Fleet Issue

LD2803215596 Moscow INTERFAX in English
1944 GMT 28 Mar 96

[FBIS Transcribed Text] KIEV, March 28 (INTERFAX-Ukraine) — Ukrainian Prime Minister Yevgeniy Marchuk told journalists Thursday that he and Russian Prime Minister Viktor Chernomyrdin may meet again soon to complete the work on agreements on the Black Sea Fleet division.

He said such a meeting may be held after the meeting between the Ukrainian and Russian defense ministers, who are holding talks in Tysoverts, in the Carpathians, on March 28-29, and after the Moscow session of the working group headed by Ukrainian Deputy Prime Minister Vasily Durdinets.

The working group is putting the final touches to earlier drafted documents, including agreements on the status and terms of deployment of the Russian Black Sea Fleet in Ukraine, on a Russian naval base in Crimea and on mutual payments, said Marchuk.

According to him, the sides so far have not reached agreement on the parameters and timing of the deployment of the Russian Black Sea Fleet in Ukraine.

Commenting on the defense ministers' statement that they are discussing purely military aspects of the fleet's division, Marchuk said that "the issue relating to the deployment of foreign troops on Ukrainian territory cannot be non-political."

"The most serious work" is precisely on the terms of their deployment, he said.

According to Marchuk, the issue of the parameters of the Russian naval base is very complex and there is a large gap between the sides' positions on this issue.

Commenting on possible consequences of the sides' failure to meet the deadline set for reaching an agreement imposed by the timing of Russian President Boris Yeltsin's visit to Kiev on April 4-5, Marchuk said that "not everything is so firmly tied to the situation in Russia." According to him, Ukraine "has to deal with its own problems."

Marchuk is confident that "the world and the situation are different now" and it is impossible to "use the methods of 20 years ago."

William Miller said that Ukraine's current laws do indeed promote inward investment.

Ukraine: Kuchma Signs Edict on Priorities of Privatization

LD2803203196 Moscow INTERFAX in English
2008 GMT 28 Mar 96

[“INTERFAX-UKRAINE” news item]

[FBIS Transcribed Text] President Kuchma signed a decree on the priorities and special aspects of privatization in 1996. Citizens should receive all privatization property certificates by July 1. The certificates will not be valid after December 31, 1996.

First priority will be given to the privatization of small and incomplete facilities, and the sale of leftover shareholdings in public-stock companies.

The main concern will be to privatize state-owned property that has been leased, facilities which can be split up from trusts, associations and monopolies as integral property (business) units, enterprises whose fixed assets are depreciated by more than 70%, and loss-making enterprises from all sectors, if losses were not incurred by the imposition of state fixed and regulated prices and tariffs.

The decree slates a total of 6,926 facilities, including small privatization facilities owned by the Autonomous Republic of Crimea and communally by Ukrainian administrative regions, and 475 farms.

A total of 799 nationally owned business units, 629 individual facilities, structures and premises and 482 farms are due to be privatized this year.

Medium and large facilities to be privatized include 2,341 nationally owned facilities and 484 public-stock companies, for which share sales have been approved but shares not offered.

Ukraine: Kiev Demand Ukrainian Navy Be Based in Sevastopol

LD2903130696 Moscow INTERFAX in English
1022 GMT 29 Mar 96

[FBIS Transcribed Text] KIEV, March 29 (INTERFAX - Ukraine) - Ukraine is committed to the Sochi agreement on the division of the Black Sea Fleet and proceeds from the understanding that the Ukrainian Navy should be based in Sevastopol, Ukrainian Foreign Minister Hennadiy Udovenko has said.

“This is the sovereign right of our country,” he told the diplomatic corp and foreign journalists in Kiev on Friday.

Udovenko said bases remained the stumbling block in division of the Black Sea Fleet, and negotiations with Russia would go on.

Udovenko called for compromises with Russia to resolve remaining problems and said he hoped that Ukraine and Russia would be developing bilateral relations in all possible ways.

Ukraine: Security Chief Says Ukraine Has No Ethnic Terrorist Groups

LD2803233896 Kiev UNIAN in Ukrainian
1530 GMT 28 Mar 96

[FBIS Translated Text] Kiev — “Operations data shows that there are no ethnic terrorist groups in Ukraine that set themselves political aims,” Anatoliy Byelyayev, deputy head of the Security Service of Ukraine, today told the international conference “European cooperation against international crime and terrorism.”

He pointed to the growing activities of terrorist organizations in Ukraine, primarily those from the Middle East countries, which are trying to use Ukraine's territory for smuggling their militants to West European countries and engineering terrorist acts against foreign states' embassies and representatives. In particular, the Security Service of Ukraine foiled an attempt to use the Ukrainian territory for engineering a terrorist act against the Israeli embassy in Moscow.

Byelyayev also said that Ukraine's secret services informed in time their counterparts in Belarus, Russia, and Kazakhstan of the arrival in the CIS of a leader of the terrorist organization “Jihad,” of the intentions by members of the Kurdish Workers' Party to commit terrorist acts against employees of Turkish diplomatic missions, and of preparations for carrying out a series of explosions near the embassies of a number of Western countries in Moscow.

Byelyayev said the Security Service of Ukraine closely cooperates with the secret services of the CIS member states in combating terrorism. At the same time, he said that cooperation ties with European countries were less strong.

Ukraine: Security Service Chief Reviews Activities

AU2903123096 Kiev HOLOS UKRAYINY
in Ukrainian 26 Mar 96 p 8

[Interview with Volodymyr Oleksandrovych Lykhovuzov, chief of Ukraine's Security Service Administration for Kiev and Kiev Oblast, by Serhiy Shevchenko; place and date not given: “Counterintelligence Against Crime”]

[FBIS Translated Text]

It must be said, however, that even though arrests of criminal authorities and their accomplices do normalize the situation, they do not resolve problems radically. New "godfathers" emerge and new "touring" thieves, because there is the soil that constantly generates negative phenomena. That is why it is possible and necessary to combat crime not only from positions of the current articles of the Criminal Code, but also with the help of state policy and the creation of such conditions as would not drive the entrepreneur into the "shadow" and would not untie the hands of thieves or robbers.

[Shevchenko] Volodymyr Oleksandrovych, the reason why the special service was tasked with combating crime is that internal threat to the state on the part of mafioso structures is no less serious than external, more specifically, intelligence activity by foreign special services?

[Lykhouzov] Right, but it must be pointed out that the SBU's task does not involve catching small thieves or market-place racketeers. The special service, using methods and means of counterintelligence, must reveal, first and foremost, the mechanism of criminal activity.

For example, in the course of operational-investigation measures, a network of commercial structures was revealed that acquired wealth as a result of financial violations, concealment of taxes, and open fraud. Our materials made it possible to reveal the mechanism of law violations in this sphere and weak points in the credits and banking system. We reported to the SBU central apparatus on concrete proposals on these issues.

[Shevchenko] Are there examples of espionage activities being thwarted in the Kiev Region?

[Lykhouzov] Yes, there are, but not all of these facts may be made public. I will only say that we have information on attempts by foreign special services to win over some Ukrainian citizens, who are being tempted with having their businesses promoted and with prospects of a well-provided life abroad. Jointly with the counterintelligence of the SBU central administration, our subdivisions repeatedly place obstacles in the way of foreigners' "curiosity" about advanced scientific and technological developments by Ukrainian scientists. Unfortunately, there are cases when scientists and specialists take the initiative and try illegally to pass abroad information that is the state's national property. Such attempts should be prevented and we do that.

Our counterintelligence officers put in a great deal of effort to eliminate the channels of illegal migration of foreigners, to expose organizers of the criminal business that emerged as a result of "smuggling" people and illegal border crossings. The secret "nomad" roads

may be used not just by refugees, who look for better life abroad, but also by participants in foreign terrorist organizations, drug dealers, and agents of special services. This should not be underestimated.

[Shevchenko] Volodymyr Oleksandrovych, the sad "anniversary" is approaching — 10 years since the Chernobyl catastrophe. As is known, there were quite a number of state security officers among the participants in the "clean-up" operations....

[Lykhouzov] Many of them are still in our ranks. Our counterintelligence detachment works on a permanent basis in the estrangement zone. Information on the state of safety of power engineering facilities is regularly sent to relevant authorities, and proposals are submitted on ways to prevent possible extraordinary events. Owing to such efficient information, attempts to steal and sell property and equipment from burial sites contaminated with radiation were prevented. Other criminal and environmentally hazardous actions were also prevented.

Economic Issues

Ukraine: Encouragement Urged for Foreign Investments

AU2803080796 Kiev HOLOS UKRAYINY
in Ukrainian 23 Mar 96 p 5

[Report by HOLOS UKRAYINY correspondent Leonid Brovchenko: "The Process Is Under Way. Fears, However, Remain" — first paragraph published in a box]

[FBIS Translated Text] The middle of March was marked by a drastic rise in investment activity in Ukraine. However, this did not take the form of a sharp increase in foreign investments, but of holding various conferences, forums, "roundtables," and other measures of the same type. For example, the forum "Investment Projects in Ukraine" was held at the Vienna International Center. It proceeded under the auspices of UNIDO [United Nations Industrial Development Organization]. The participants had to consider 69 projects from various branches of our state's industry. Almost concurrently, in Kiev at the hotel "Kyivska Rus," an international conference "Investments in Ukraine '96" was held....

The total volume of actual direct investments in Ukraine, starting from the year 1992 was, as of 1 January 1996, about \$750 million. Last year alone, the non-resident capital in Ukraine increased by \$266.5 million. Although, the total volume of foreign investments that our state's economy really needs is about \$40 billion. As one can see, the difference between the desirable and the real is very great. Still trends toward

pharmaceutical products, veterinary preparations, and cosmetics require licenses. Export quotas are maintained for precious and semi-precious metals and scrap metals, ores, concentrated products, and their final products.

Ukraine: Presidential Aide on Economic Performance, Privatization

LD2803202096 Moscow INTERFAX in English
1714 GMT 28 Mar 96

[From the "Presidential Bulletin" feature: compiled by Anna Kovaleva, Nikolay Zherebtsov, Andrey Petrovskiy, and Boris Yunanov]

[FBIS Transcribed Text] Ukraine expects better macro-economic indices in the first quarter of 1996 than in the same period last year, presidential economic policies aide Valeriy Litvitskiy has said.

He said at a briefing in Kiev that production was down by a mere 3.5 percent in January and February, whereas in the same period last year it reduced by 14.1 percent.

Litvitskiy said that in the first months of 1996 the trend of the production to fall rapidly was overcome for the first time. He attributed slower production decline to financial stabilization policies, which had begun to bear fruit. "When inflation is seven to nine percent, recession cannot be overcome," the presidential aide said.

The introduction of the new national currency, the hryvna, Litvitskiy said, is also closely linked with the effective financial stabilization policies. The introduction of the hryvna must have been one of the factors for stability.

About weekly Saturday conferences Kuchma held with senior Cabinet members, Litvitskiy said that they were the necessary supplement to the president's routine contacts with the government. Litvitskiy said that the forthcoming conferences would discuss the operation of trusts, the reorganization of social security and economic restructuring.

Litvitskiy said that on Thursday the Cabinet would look into the discipline of executive officials. "This is a very important question and the government is aware of that," he said.

Asked about privatization in Ukraine Kuchma's aide said that unfinished privatization in the agro-industrial complex was the main problem. He recalled that the Ukrainian parliament had not formulated its attitude to the presidential veto on the law on privatization in the agro-industrial complex yet and for that reason the president could not implement to the full the decree on faster privatization in 1996.

IF Note: The law on privatization in the agro-industrial complex was adopted by the Ukrainian parliament last autumn. On January 30 the Ukrainian parliament made a number of amendments to it following a veto imposed by President Kuchma. However, the law-makers failed to take into account a number of fundamental presidential objections and preserved the right of farm producers to receiving 51 percent of shares of processing enterprises free. President Kuchma on February 20 vetoed the law again.

[L'UNITA] Does that mean that you think that the USSR cannot be reestablished?

[Sharetskiy] Definitely not, and everyone thinks the same. The fact of integration continuing, since it is a natural process, is another matter. This is what is happening in Europe, where it is wished even to establish a common currency. But nobody says that Italy and Austria will disappear for that reason.

[L'UNITA] So what does integration mean from Minsk's viewpoint?

[Sharetskiy] It must be as thoroughgoing as possible, but the states must retain their sovereignty. But when people say that a state is independent, I do not believe it. There are no independent states; they all depend on each other. Sovereignty is another matter. It is the right of every people and every state to determine their own destiny, to establish their own domestic and foreign policy, including the degree of dependence on this or that state, as I said, of course we depend on Russia, but Russia depends on us too.

[L'UNITA] It remains to be seen whether you want to remain two states...

[Sharetskiy] There is no such danger. There will be nothing of this kind in the foreseeable future; I cannot guess for future centuries. The United States of Europe are being created, and they will probably be a confederation of sovereign states. There will be a common currency and a common government, but we do not concern ourselves with what is happening in Europe...

[L'UNITA] Could Russia's enlargement to the West not accelerate NATO's enlargement to the East?

[Sharetskiy] As I have already told your ambassador, why does NATO still exist? What is its purpose; from whom do the Western countries need to defend themselves? It was always said that they were defending themselves against the Warsaw Pact, but the Warsaw Pact no longer exists.

[L'UNITA] Are the anxieties legitimate or not?

[Sharetskiy] They are. If the plan to enlarge NATO did not exist, perhaps we would not be uniting so quickly. But why is the West worrying about us? This is our concern.

Belarus: Supreme Soviet Deputy Views Russian Integration, Protests

LD2703180396 Moscow NTV in Russian
1635 GMT 26 Mar 96

[FBIS Summary] NTV carries a live 24-minute interview with Vyacheslav Shushkevich, former Belarus

Supreme Soviet chairman and current deputy, by Leonid Parfenov on the "Hero of the Day" program.

Shushkevich says that President Alyaksandr Lukashenka is expected to address the the Belarus Supreme Soviet on 27 March on the issue of Russian-Belarusian integration.

Parfenov introduces a video report from Minsk by Aleksandr Stupnikov on the political and economic situation in Belarus. "Whereas many people in the street are in favor of economic unity" between Russia and Belarus because of the parlous state of the economy, Stupnikov says over a video of street scenes, "many people are frightened of political and military unity. The authorities have therefore recently invented a political formula: sovereignty without independence, given, as they say, that everyone depends on everyone else."

Shushkevich says he knew nothing about the content of the treaty to be signed on 29 March by the leaders of Russia, Belarus, Kazakhstan, and Kyrgyzstan. He says he is in favor of the widest possible economic and cultural integration, but against political integration: "I am in favor of a law-governed state, I am for the constitution - even though our constitution is not ideal. Under our constitution, we are striving to be neutral, which means that we should not enter military and political unions."

Shushkevich deplores the authorities' response to the demonstrations on 24 March, which were originally to celebrate Belarus' independence day. Rabid nationalism should be countered, he says, but the majority of people in Belarus support Belarusian sovereignty and independence. "These people have been placed in an absurd position. It is constantly being hammered into their heads - via all the electronic mass media, over the radio, all the newspapers - that all our ills come from independence and from the reforms. But there have been no reforms in Belarus! Russia has gone further than we have in reforms. We have had no reforms, the reforms have been blocked by the executive power, though the Supreme Soviet of the former convocation created the necessary legislative framework for reforms to go ahead. The president halted these transformations. He believes the source of all evil to be people owning property: a purely communist approach, in other words."

Shushkevich describes the 15 March Russian Duma decision on the Belovezhskaya Pushcha accord as "provocative," a "purely election campaign gesture designed to pour fat on the fire and clearly purely in support of Gennadiy Zyuganov. But I fear it may turn out to be in favor of Boris Yeltsin."

will have a significant influence on the results of the Russian elections.

It is also clear that this issue will significantly influence events in Belarus as well. As Henadz Karpenka, Belarusian parliament deputy speaker, believes, our society will again split and divide, and instability will ensue, which was already confirmed by the 24 March rally in Minsk.

It is currently hard to assess the aforementioned initiatives, because there is still little information about them, and the documents themselves have not yet been made public. Nevertheless, certain disagreements can already be seen in comments by the two sides — Belarusian President Alyaksandr Lukashenka and Russian presidential spokesman Sergey Medvedev. Our president, having stated that "there has been enough fooling of the peoples," has noted that what will be signed will be a treaty on a union with supranational bodies and a common budget for joint programs, which, perhaps, will be transformed into one state in a year and a half to two by preparing an appropriate legislative basis and adopting a constitution. Sergey Medvedev is emphasizing that the talk is not about establishing a new state, but only a new union similar to the EU. It is being emphasized that only the so-called "integration budget" will be common, a budget which will be formed by allotments from the two countries' national budgets. "There cannot be any talk about one state budget or establishing one state," Sergey Medvedev is saying. It is symptomatic that Russian television has replied to this as follows: "There will be no one budget, and the Belarusian economic problems will not lie on the shoulders of Russian taxpayers."

One can thus say that there are discrepancies between the two sides' positions, which testify to the fact that the treaty is being prepared quite hastily; and although Viktor Chernomyrdin is saying that it has been drafted for a year now, even after the 22 March talks, basic provisions of the future treaty are still being coordinated, as he himself has admitted. It is planned to sign this document on 2 April in the presence of representatives of the two countries' societies and the patriarch of the Russian Orthodox Church.

Many unclear things remain regarding this issue. Alyaksandr Lukashenka is saying that decisions by the supranational bodies will have to be implemented in both states. Thus, will it not prove that, by using this right, the common center will be able to send special purpose police units not only from Siberia but also from Minsk to defend the borders of the common country (or a union of countries)? There are other questions as well: Will Belarus have its own foreign policy? Will

we join the Council of Europe? How will our relations with other neighbors develop? Do we already have to recall our ambassadors from foreign countries? There is yet another question: If someone else, not Yeltsin, wins the elections in Russia, is it not too risky for Belarus to attach its fate to a country whose political and economic situation and even public system may fundamentally change as soon as this year? There are indeed many questions. Everyone who considers himself a patriot is asking them. We hope that Alyaksandr Lukashenka, who took an oath on the new Constitution of independent Belarus, will explain all of this to us, and will respond to questions from both journalists and common citizens. So far, it would be worthwhile to cite the first reaction by well-known Belarusian politicians to what happened in Moscow at the end of last week, and what will continue.

Stanislaw Bahdankevich, leader of the Public Action faction in the Belarusian Supreme Soviet, believes that it is incorrect to compare the proposed Russian-Belarusian union to the EU:

[Bahdankevich] The EU was established slowly through the natural course of history, primarily in the name of economic interests, and given the presence of stable democracy in all these countries. Our rulers want to unite us with an aggressive and corrupt country. In this country, a wrong variation of capitalism is developing. Chechen cities and villages are being destroyed, many problems remain unresolved, wages have not been paid for five months, and technologies and equipment are outdated and worn out. I can understand people's wish to unite with prosperity, but to unite with poverty... It is hard to understand the logic of these actions.

[Kalinowski] **But is our country any better?**

[Bahdankevich] Our country should follow the example of its neighbors, and be guided by common sense. I cannot imagine a normal individual not wanting to unite with those who can give him freedom, prosperity, law, and normal conditions to learn and live, as is the case in the Czech Republic, Hungary, Poland, and Lithuania.

[Kalinowski] **Do you think that our leaders will manage to carry out their plans?**

[Bahdankevich] They have a chance to do so, though one cannot say that, regardless of everything, our parliament will be ready to jump into the vortex of the election campaign in Russia in the name of someone's interests, and sell its independence.... I do not think that our parliament will not want to assess the pluses and minuses of what Mr. President is offering us. Our faction will seek support.

mess which had emerged in the Kremlin corridors following Alyaksandr Lukashenka's support for the Duma decision to denounce the Belovezhskaya Accords. Having allowed the Belarusian leader to become the prima ballerina of integration processes, Boris Yeltsin very reluctantly received Lukashenka's game in the field of the anti-Yeltsin opposition.

Reports that Lukashenka was in Moscow came as early as 20 March, when the communist parliamentary faction leader, Syarhey Kalyakin, announced that the president was not in Minsk. Judging by all the signs, it was this fact that considerably softened the manner in which the decision to add the issue of the Belarusian parliament's reaction to the Duma decision to the agenda was formulated. The word "denunciation" was not even mentioned in the decision, which again confirmed the flexible stance of the communists, whose leaders were in a very decisive mood on the previous day.

Meanwhile, certain details became known about the negotiation process between Minsk and Moscow, which became much more active as soon as the second day after Lukashenka's appeal to the Belarusian parliament to adopt a resolution similar to the Duma's. The leak of information was "organized" by the Public Action parliamentary faction leader, Stanislaw Bahdankevich. He told journalists that according to his information, on the second day after Lukashenka's appeal, the Belarusian Presidential Administration received notification that Moscow had proposed extremely tough new conditions for establishing a Belarusian-Russian confederation after reviewing preliminary agreements between Yeltsin and Lukashenka. According to Stanislaw Bahdankevich, Belarus would completely lose its statehood if it accepted these conditions. Thus, it was specifically proposed to establish a strict military union, one budget, etc. According to certain information, Yeltsin proposed conditions reducing Belarus' powers to the level of a Russian autonomous region.

The Russian leadership's tactic was quite clear — to compel Lukashenka to give up excessive integration impulses. Acting according to the scheme "a wedge is knocked out with a wedge," Moscow reasonably argued: If Belarus is ready for reviving the USSR within the framework of Russia and Belarus, it will have to accept appropriate "union-like" conditions for the unification. The uncomplicated mechanism for exerting pressure had an immediate effect. As a source from the Presidential Administration reported, a terrible panic flared up in Alyaksandr Lukashenka's entourage. In particular, the Belarusian president said that during the latest talks with the Russian president, the tough conditions had not been discussed, and Belarus would not accept them. The Belarusian leadership's anxiety becomes even more

clear if one takes into account that a group of experts had already drafted integration documents by that time, which appears in the latest agreements between Yeltsin and Lukashenka.

The situation was slightly allayed by the speaker of the Russian parliament upper chamber, Yegor Stroyev, who arrived in Minsk on 22 March and held talks with Lukashenka on the eve of the latter's departure for Moscow. Yegor Stroyev stated that Moscow did not plan to set up any union, and supported deepening economic integration *"with a possible debate on establishing a confederation in the future"* to begin with.

The Belarusian president's visit to Moscow itself resembled a notorious "turf war" among youngsters — street for street, rayon for rayon.... The Belarusian delegation was comprised of Presidential Administration Head Mikhail Myasnikovich, Deputy Foreign Minister Valeryy Tsyapkala, and presidential legal consultant Alyaksandr Abramovich. Nonetheless, after the negotiations, they agreed to sign the tough union treaty, at the same time as Kazakhstan and Kyrgyzstan are talking only about a treaty on deepening integration processes. As it became clear, Belarus, too, will join it, but we will have as little as three days to work on deepening economic integration, and then, on 2 April, we will get down to work on complex integration aimed at establishing a union. Incidentally, the Belarusian president's confidence that both the State Duma and the Belarusian Supreme Soviet will ratify the documents is very alarming in this regard. The president is referring to the people's will expressed during a referendum. It should be recalled, however, that Belarusian citizens expressed their opinion only about a course toward economic integration, and there was no talk about any political union.

It is expected that the work on establishing the union will last a year and a half to two years. The union envisions a common government, parliament, budget, constitution, and state symbols. In this regard, it is interesting — what will be the status of the new president? And what is more important, when will a new Russian leader appear? Just in case, Alyaksandr Lukashenka is already focusing public attention on the fact that Belarus can renounce the current agreements at any moment, notifying Russia six months in advance. However, analysts are already foretelling a short life for the new state formation.

Concern is being voiced that the fate of the new union will precisely repeat the history of the unification of monetary systems: The integration card will be played for electoral purposes, and then everybody will forget about it. It is not ruled out that Alyaksandr Lukashenka made such frank statements in Moscow precisely be-

14 people and headed by General Van Zhun (name as transliterated), visited a Belarusian Armed Forces missile brigade at the end of last week.

The guests displayed lively interest in the combat training, service, and life of missile troops. This interest was partially satisfied by showing a video about the missile brigade's humdrum life.

Following this, the Chinese servicemen watched our formidable equipment at a test range, and assessed the

missile troops' actions during a regular combat exercise highly.

To commemorate this friendly meeting, the Belarusian and Chinese servicemen exchanged souvenirs and badges.

Tajikistan: Russian Border Guards Prevent Rebel Infiltration Attempt

LD2803201996 Moscow *ITAR-TASS in English*
1626 GMT 28 Mar 96

[FBIS Transcribed Text] PYANDZH, TAJIKISTAN, March 28 (Itar-Tass) — Russian border guards today barred an inroad of Afghanistan-based Tajik rebels at a border stretch controlled by Post 11 of the Pyandzh border detachment.

Detachment commander Lieutenant-Colonel Aleksey Lobov told Itar-Tass today that 20 armed rebels were heading for Tajikistan's bank of the Pyandzh river in two rafts and a boat.

Border guards opened fire which dispersed the group and left it with casualties, Lobov said.

Witness to the border incident was a Russian parliamentary delegation which came to Post 11 on March 27 to see the conditions and logistics of Tajikistan-stationed Russian border troops.

The commander of Russian border troops in Tajikistan, Lieutenant-General Pavel Tarasenko, was also at the post at the time of the incident.

Lobov said the recent situation has been tense on the Tajik-Afghan border, with up to 200 fighters of the Tajik opposition concentrating now in Afghanistan against the area in charge of the Pyandzh border detachment.

However, Lobov said he thought the activation of the militants was a distracting manoeuvre to facilitate rebel cross-border attacks at other, more liable flanks.

Border troops commander Pavel Tarasenko told Itar-Tass that the general situation remained tense and explosive along the entire Tajik-Afghan border, with the inter-Tajik political negotiations stalling and an armed opposition group poised for military actions.

Tarasenko said Russian border guards had fought back 19 armed cross-border raids since the start of this year. Tajik rebels, based both in the Tajik and Afghan territory, have carried out over 80 fire attacks, including rocket strikes, on Russian border posts over this period.

Tajikistan: Russian Television Correspondent Killed in Dushanbe

LD2803220696 Moscow *INTERFAX in English*
1944 GMT 28 Mar 96

[FBIS Transcribed Text] DUSHANBE, March 28 (Interfax) — The interior ministry in Tajikistan has described as a terrorist act the killing of a correspondent of Russian Public Television, ORT, in Dushanbe on Thursday.

Viktor Nikulin was shot dead at close range at ORT's office in the Tajik capital on Thursday afternoon, a senior ministry official told Interfax. He said the correspondent died instantaneously from two mortal head wounds after gunmen ringing at the office door fired several shots at Nikulin.

The official said local police had revealed that anonymous threatening phone calls were made to Nikulin some time before the tragedy.

Police are trying to track down the culprits, he said.

This is the second killing of a foreign correspondent in Tajikistan in the past four months. BBC correspondent Mukhiddin Alimpur was also killed by gunmen last December.

Tajikistan: Foreign Ministry Denounces Murder of Russian TV Journalist

LD2903100496 Moscow *ITAR-TASS in English*
0952 GMT 29 Mar 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, March 29 (Itar-Tass) — The Tajik Foreign Ministry issued a statement today strongly denouncing the assassination of Russian TV journalist Viktor Nikulin who had worked for Russian Public Television (ORT) company.

The statement says that another criminal terrorist act was committed aimed at undermining stability in Tajikistan. Apparently, some forces are not interested in the establishment of peace and mutual understanding in the country. It was pointed out that the tragic death of the Russian journalist had caused indignation and much sorrow in Tajikistan. Although the journalist lived a short life, he managed to do a great deal for the country where he had lived and worked and which he loved with all his heart. His keen sense of justice, uncompromised truth and concern over Tajikistan's fate have earned him the respect of the people and caused hatred among those who were afraid of his truth which was dangerous to them, the statement said.

The Tajik Foreign Ministry stressed that Viktor Nikulin had fallen victim to certain political forces similar to his fellow men-of-letters Davlatali Rakhmonaliyev, Khuzhbaktam Khaidarsho, Muiddin Olimpour and other journalists from the Russian and foreign mass media who had sacrificed their lives for the sake of restoring peace and calm in Tajikistan.

A total of 29 journalists have fallen victim to terrorism in a civil war since 1992. The Tajik Foreign Ministry has expressed its sincere condolences to relatives and friends of the killed TV journalist and on behalf of the

ister, after confirming his country's intention to join all consultations on this problem.

In the course of the talks between the Turkmen president and the deputy Russian prime minister, an agreement was also reached on setting up a bilateral Turkmen-Russian commission to deal with possible cooperation with partners who represent third countries. In this respect, the importance of the upcoming opening of the Tedzhen-Sarakhs-Meshkhd railway — seen as the beginning of the large-scale transcontinental North-South project — was noted.

The sides agreed that an exchange of consultations on questions of comprehensive Turkmen-Russian cooperation will continue on a regular basis.

Commenting on the results of the talks in an interview to a **TURKMEN PRESS** correspondent, the Russian deputy prime minister described them as thoroughgoing consultations on a whole specter of cooperation with general understanding of the mechanism for their implementation. The experience accumulated by Turkmenistan in the course of carrying out market reforms enables it to make optimal decisions, Bolshakov stressed, which can also be applied in the joint Russian-Turkmen approach to mastering the common market whose conditions are dictated by rich oil and gas resources.

Touching upon the Turkmen leader's views of the draft agreement between the four states, Bolshakov expressed his satisfaction with the level of understanding of how much this was required, demonstrated by the president of Turkmenistan, who has also confirmed his adherence to the course of further integration within the framework of the CIS and to consistent building of partnership between Russia and Turkmenistan.

Following the talks, three hours after his arrival in Ashgabat, the Russian delegation, led by Deputy Prime Minister Aleksey Bolshakov, left for Moscow.

Turkmenistan: Turkmen, Kazakh Leaders Discuss Current Issues

*LD2703171796 Ashgabat TURKMEN PRESS
in Russian 0800 GMT 27 Mar 96*

[FBIS Translated Text] Ashgabat, 26 Mar — A telephone conversation took place today between Turkmen President Saparmurad Turkmenbashi [Niyazov] and Kazakh President Nursultan Nazarbayev. During the talk, they discussed bilateral relations and stressed both states' interest in maintaining relations between the two peoples at a high level. The presidents were united in the view that the historical roots, goodneighborliness, and the common nature of their destiny and future tasks

make it necessary to intensify cooperation and friendship between Turkmenistan and Kazakhstan.

President N. Nazarbayev invited President Saparmurad Turkmenbashi to pay an official visit to Kazakhstan. The invitation was accepted and the visit is to take place in the middle of April this year.

The further development of the CIS was discussed during the telephone talk. The sides agreed that each country has the right to choose its own path, based on the strategy of state and national development. President N. Nazarbayev stated Kazakhstan's approach concerning its intention to take part in CIS integration programs. As for Turkmenistan, President Saparmurad Turkmenbashi stressed readiness to develop relations within the framework of the Commonwealth of Independent States on the basis of equality, mutual advantage, and mutual respect. Turkmenistan will keep its participation in interstate structures strictly in line with its international status as a neutral state, giving priority to the development of relations on a bilateral basis, the Turkmen leader emphasized.

The leaders of Turkmenistan and Kazakhstan also considered the legal status of the Caspian Sea and other regional and international problems. They also discussed the agenda of the forthcoming meeting of the heads of state of the Economic Cooperation Organization in Ashgabat in May this year, which President N. Nazarbayev confirmed his intention to attend.

At the end of the talk the leaders of Turkmenistan and Kazakhstan exchanged their wishes for well-being, peace, and prosperity to the peoples of the two countries.

Turkmenistan: President Niyazov Reshuffles Officials

*LD2803203996 Ashgabat Radio Ashkhabad
in Turkmen 1700 GMT 28 Mar 96*

[Decrees by Turkmen President Saparmurad Niyazov]

[FBIS Translated Text] On comrade [forename indistinct] Novgorodskiy:

In accordance with Article [?66] of the law on courts of Turkmenistan, to appoint comrade [forename indistinct] Novgorodskiy first deputy chairman of the Supreme Court of Turkmenistan.

[Signed] President of Turkmenistan Saparmurad Turkmenbashi Niyazov.

On comrade Atayev:

To appoint comrade Amanberdy Atayev to the post of head of administration of Mary city, relieving him of the post of deputy head of administration of Mary Region.

to and from Uzbekistan and Central Asia, the more we will be confident in ourselves and the more reluctant others will be to hinder us and exert an influence on us. There is only one way to strengthen our weak link — communications, and that is to open our roads and gates leading to the south, west, and east. That is why I will say again that we are going to establish mutually advantageous relations not only with the West. We are pinning our hopes on Eastern countries as well. We must improve relations with such countries as Japan, Korea, China, Vietnam, Singapore, Malaysia, Indonesia, Thailand, and others. So that is what we are trying to achieve through this visit.

**Uzbekistan: Karimov Meets Vietnamese Leaders,
Signs Accords**

*LD2803181196 Tashkent Radio Mashal in Uzbek
1200 GMT 28 Mar 96*

[FBIS Translated Excerpt] An official visit by Uzbekistan President Islam Karimov to the Socialist Republic of Vietnam started yesterday. The official welcoming ceremony for the president of Uzbekistan was held on the square outside the presidential palace in Hanoi this morning. [passage omitted]

President Islam Karimov had a short talk with President of Vietnam Le Duc Anh at the end of the ceremony. Afterwards, expanded-format talks between the official delegations of Uzbekistan and Vietnam started in another hall of the presidential palace. Islam Karimov and Le Duc Anh signed an agreement on the principles of interstate relations and cooperation between the Republic of Uzbekistan and the Socialist Republic of Vietnam after the bilateral talks. A number of intergovernmental and interbank documents were also signed. [passage omitted]

In the afternoon, the leader of Uzbekistan, Islam Karimov, met Vietnamese Prime Minister Vo Van Kiet at the presidential palace. They exchanged views on matters connected with the development of cooperation relations between the two states during the conversation. On the same day, Islam Karimov also had talks with Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam.

The president of Vietnam arranged a dinner in honor of the president of Uzbekistan. The official visit of the president of Uzbekistan to the Socialist Republic of Vietnam is continuing.

and Caspian Sea regions via Romania and Azerbaijan, will come true already this year, Romanian President Ion Iliescu said before leaving Baku with a package of bilateral agreements signed on Wednesday [27 March].

The route, mirroring the famous Great Silk Road of the past, will sweep along the Caucasus Ridge through Georgia, from its Black Sea ports to Azerbaijan and then, across the Caspian region, to Central Asia. Both Romania and Azerbaijan pin hopes on the to-be artery viewing it as a means of getting economic advantages of their position on the globe.

The documents which were signed during Iliescu's official visit provide for development of communications networks between the states, including navigation routes, railways, highways, and air traffic.

According to informed sources, the sides also negotiated prospects for cooperation in agriculture and oil development.

Azerbaijan counts on Romanian grain exports and views it as a market for its oil products. In exchange, it hopes to obtain high-tech equipment which would help it develop Caspian shelf oil fields.

Azerbaijan: Romanian President Departs After Contacts

NC2803190096 *Baku Radio Baku Network in Azeri*
1700 GMT 28 Mar 96

[FBIS Translated Text] As already reported, Romanian President Ion Iliescu is paying an official visit to our Republic at the invitation of Azerbaijani President Geydar Aliyev.

The Romanian president today went on a site-seeing tour of Baku and met the refugees staying in the dormitory of the technical [words indistinct] school in Nerimanov district.

The Romanian president and his delegation left for their country today from Bina airport. Azerbaijani President Geydar Aliyev, Chairman of the National Assembly Rasul Guliyev, Prime Minister Fuad Guliyev, head of the presidential executive staff Ramiz Mehtiyev, and other officials were present at the departure ceremony.

Let us remind you that during the visit Geydar Aliyev and Ion Iliescu discussed various aspects of bilateral cooperation and signed an agreement on friendship and cooperation between Azerbaijan and Romania.

Georgia

Georgia: Shevardnadze, Niyazov Agree on Gas Pipeline Projects

AU2803154196 *Tbilisi REZONANSI in Georgian*
21-22 Mar 96 pp 1, 16

[Report by Akaki Gogichaishvili: "The West Will Receive Gas From Turkmenistan Via Georgia"]

[FBIS Translated Text] This important information was supplied to journalists by Turkmen President Sapamurad Niyazov on 20 March at a press conference summarizing the results of his one-day official visit to Georgia. As he pointed out, during a recent visit to Turkey, President Demirel concluded an agreement with Turkmenistan on the purchase of 15 million cubic meters of gas. The gas pipeline, by means of which Turkey will receive gas from Turkmenistan, will cross Georgia. According to Niyazov, the construction of this gigantic gas pipeline will be undertaken by both Turkey and Russia while Turkey and Georgia will jointly carry out the construction work on the stretch of pipeline in Georgia.

President Niyazov also pointed out that Turkmenistan, along with Iran, would construct a second gas pipeline that would run through Tbilisi. Sapamurad Niyazov conducted talks concerning this project with Geydar Aliyev (Azeri President) during his visit to Azerbaijan prior to coming to Georgia. As a result of the talks, an agreement was drawn up on the planned supply of Turkmen gas to the West via Azerbaijan and Georgia.

It was not by chance that, of the documents signed with Turkmenistan, Eduard Shevardnadze attached particular importance to the joint communique in which Turkmenistan approved of Shevardnadze's new initiatives and supported the full realization of Georgia's potential as a transit country.

Boris Shikhmuratov, Turkmenistan minister of foreign affairs, said the same thing to his Georgian colleague. He pointed out that Turkmenistan viewed positively the transport of its natural resources to the West along the Caucasian transport corridor, for which purpose it was necessary, first and foremost, to ensure peace in the Caucasus.

Eduard Shevardnadze congratulated Sapamurad Niyazov on establishing the status of a neutral state for Turkmenistan. "This will enable you to influence current events in the Caucasus through your active neutrality," he added.

As a result of the visit, eight documents were signed. The agreement reached on restructuring outstanding debts to Turkmenistan was of particular importance. As

Sukhumi, then to a helicopter pad in Novyy Afon [Abkhazia], and then by air over the territory of Kabardino-Balkariya to the Dzheyran gorge." Routes taken by mercenaries have also been specified: "From Trabzon

[Turkey] to Sukhumi by the Ritsa motor ship, and then to Grozny via Armavir and Mineralnye Vody."

from President Woodrow Wilson's belief that all people have the right to self-determination. Our people were sustained by the U.S.-led policy which did not recognise the legality of the Soviet occupation. When it appeared as if the West was willing to accept communism, President Ronald Reagan clearly and fervently stated what the Soviet Union truly was — an evil empire.

Another reason for our Western outlook is the simple fact that Estonia is, and always will be, a Western country. The combination of our European values and American idealism has created one of the most dynamic countries in Europe.

Estonia has emerged as a free-market frontier that mixes an infectious entrepreneurial spirit with sober fiscal responsibility. Much like the early American settlers, our residents sought a better life for themselves after regaining independence. People traded in communism faster than their Ladas for a stronger belief in freedom, the free-market and Ford. We rebuilt our economy on the principles of free competition, individual responsibility and ingenuity.

Our first priority in reshaping our economy was to abandon the ruble regime. Under my direction as the President of the Bank of Estonia, Estonia introduced its own currency, the kroon, and the strict monetary policy that goes with it. The kroon remains stable and is backed 100 percent by foreign currency reserves. The faith in our currency extends to our banks as well. During our banking crisis in 1992, Estonia chose not to support failed banks. Instead, we used the opportunity to consolidate and strengthen the banking sector. Investors are now more demanding of where they place their money and banks know that state subsidies will not reward mismanagement. Valuable lessons were learned by both our citizens and our businessmen.

To keep our financial house in order and to prevent deficit spending, Estonia passed a mandatory balanced budget law. Rapid privatisation was undertaken and subsidies to decrepit, unproductive industries were withdrawn. Even subsidies to the agricultural sector, a "sacred cow" to other European states, were abolished. Estonia also implemented a flat tax on personal as well as corporate income. Our belief is that success should be encouraged, not punished.

In order to increase our wealth and unlock our potential, Estonia implemented a trade policy with virtually no tariff or non-tariff barriers. Free trade agreements were established with our Nordic neighbours and the European Union, and we currently have Most Favoured Nation status with the United States. To encourage investments, Estonia passed laws protecting investment, allowing foreign ownership of land, and full repatriation of profits.

The openness of our economy is even highlighted by Heritage's Index of Economic Freedom, which ranks Estonia 26th among the world's free economies. The only other post-communist state ahead of Estonia is the Czech Republic, which ranks twelfth.

The prosperity Estonia is experiencing and the stability of the Estonian kroon also strengthens our domestic relations. Estonia is often misperceived as a country undergoing ethnic tensions with its Russian-speaking population. This is not the case. Ethnic Russians living in Estonia view their future as tied to the Estonian Republic. In a recent Russian survey, only 2 percent of the Russians living in Estonia wanted to leave. Our reforms brought prosperity; our prosperity brought stability; stability brought more prosperity. This cycle will continue with the support of the West.

Estonia is as prosperous as the frontier but it is also as vulnerable as the frontier. Our geography dictates that security issues are of a primary importance to our small state. In order to secure the gains of the past five years, we must secure our place in Europe through integration into organisations such as the European Union and the North Atlantic Treaty Organisation.

A recent Heritage publication quoted Benjamin Schwarz as stating "Economic interdependence dictates security commitments." Our open trade policies and favourable investment climate are already forging links with the West. Over 60 percent of our trade turnover is with European Union members. Estonia ranks third among Central European states in foreign direct investment per capita. The United States ranks fourth in total investments to Estonia. Every dollar and Deutsche mark invested in Estonia is an investment in Europe's future.

I would now like to reword Mr. Schwarz's phrase and state that in Estonia's view, economic commitments may promote security interests. Enlarging the European Union to include Estonia will require economic commitments by both sides. But enlargement and the anchoring of the Baltic states in Europe will guarantee our mutual interests of a stable northern Europe.

The upcoming year will dictate the future of intra-European relations through the enlargement of both the EU and NATO. It is clear that NATO will most likely enlarge to Central Europe. This enlargement, however, should not occur at the detriment of any region. It is thus vital that the U.S. and Europe formulate a policy toward Northern Europe during NATO enlargement.

Estonia's advance toward EU membership is a policy priority that when reached will enhance regional security as well as regional economic development. Estonia's entry into the EU would be a clear signal that the

losses for Latvia. We have already reported that yesterday, Latvian fishermen and Estonian border guards were located on either side of the countries' disputed border, making mutually insulting remarks. At present, there are two Estonian border guard vessels at the two countries' border. However the Latvian navy ship is not yet due to travel to this disputed zone, claim spokesmen for the Ministry of Defense.

Latvia: Finland Offers Mediation in 'Fish War'

LD2803194896 Moscow INTERFAX in English
1728 GMT 28 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] RIGA, Mar 28 (Interfax) - Finland's Prime Minister Paavo Lipponen promised to look into a dispute between Latvia and Estonia regarding their common sea border. Lipponen declared this at a meeting with Latvian Prime Minister Andris Skele, the press service of the Latvian government told Interfax.

Earlier, Skele said over radio that "the Latvian sea vessels will be able to defend fishermen catching fish in their territorial waters." Skele's statement aroused perplexity in Latvia's Defense Ministry because this department does not plan to send military ships to the disputed region.

The conflict started in 1993 after Estonia unilaterally established its sea border with Latvia. The latter does not recognize this border. The so called "fish war" was started in spring 1994 between two Baltic states. The Estonian patrol boats have repeatedly detained Latvian seiners catching fish in the waters which Estonia claims for itself. The negotiations of Latvian and Estonian

delegations on the sea border and fisheries have been fruitless until now.

Estonia's Foreign Ministry handed over to Latvia a package of proposals concerning an interim agreement on fisheries and on temporary economic zones in order to conclude an agreement on the sea border between the two republics.

The Latvian diplomats say that there is nothing new in Estonia's proposals. In addition, Latvia's Foreign Ministry is perplexed by the fact that Estonia has changed the name of the Riga bay for Livonsky.

Lithuania

**Lithuania: Brazauskas: Duma Decision on USSR
'Devoid of Reality'**

AU2803123796 Kiev HOLOS UKRAYINY
in Ukrainian 27 Mar 96 p 4

[Unattributed report from Vilnius: "The State Duma Resolution Does Not Concern Lithuania]

[FBIS Translated Text] "We consider Lithuania's relations with Russia and Belarus, as well as with other neighbors, as priority ones," stated Lithuanian President Algirdas Brazauskas at a news conference. At the same time, he stressed that "Lithuania, as an independent subject of international law, cannot wait with its head bowed for somebody to turn it into a satellite." The president reiterated his negative attitude toward the Russian Federation's State Duma decision on "restoring" the USSR and said that it is "devoid of reality, has no future, and does not concern Baltic states."

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